Does Rent Control Help the Poor?
by Peter Salins

The End of Childhood
by Dana Mack

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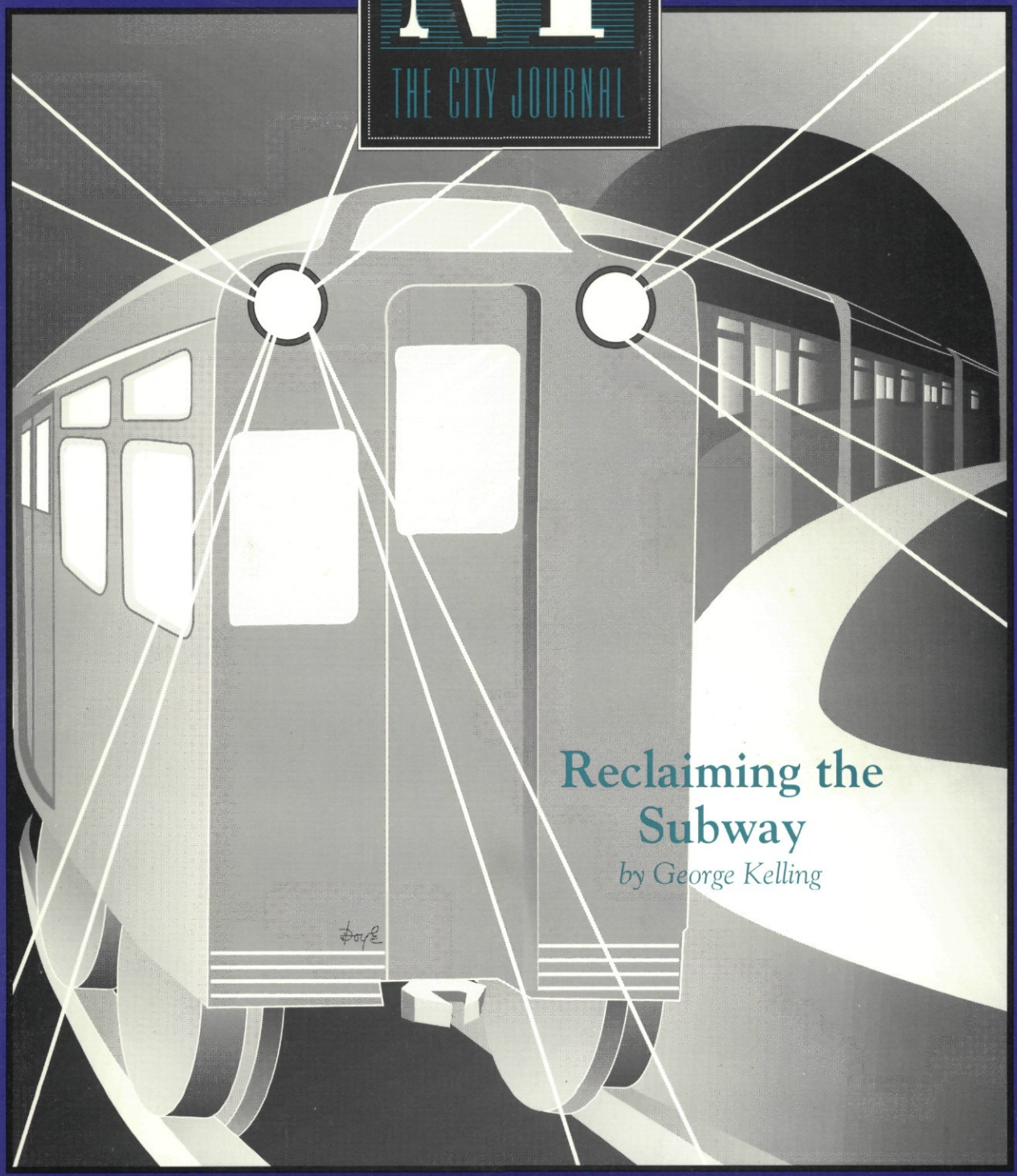
Opening Albany's Books
by Edwin S. Rubenstein

Private Crimes
by Robert James Bidinotto

Volume 1, Number 2 Winter 1991



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by George Kelling

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LETTERS

The Truth on Taxes

I read with interest the recent article by Lawrence Lindsey and Edwin Rubenstein on New York State's personal income-tax reductions ["Did New York's Tax Cuts Work?" Autumn 1990.] We are pleased that they support the dramatic income-tax cuts signed into law by Governor Mario Cuomo that provide more than $3 billion of tax relief to New Yorkers each year.

Unfortunately, their article contains several inaccuracies and a few rather striking omissions.

As an economist on President Bush's staff, Mr. Lindsey certainly knows that New York's progress in income-tax reduction comes at a time when our neighboring states have been forced by the staggering national economy to increase state income-tax rates, thus improving New York's competitive position. Connecticut now imposes a top rate of 14 percent on interest and dividend income. New Jersey's top tax rate has risen to 7 percent. Massachusetts has enacted a top rate of 12 percent on unearned income. Some of these states have also increased sales-tax rates, while New York did not. Unlike the Bush Administration, these states did not have the option to finance "read-my-lips" revenue policies with accumulating deficits.

Lindsey and Rubenstein accurately reported on the significant drop in New York's top income-tax rate from the 1983 maximums of 14 percent for unearned income and 10 percent on earned income, to the 1990 rate of 7 7/8 percent for all kinds of income, the lowest rate in 30 years.

They inaccurately suggest, however, that the New York Tax Reform and Reduction Act signed by Governor Cuomo is unfair to middle-income taxpayers. While some taxpayers obviously benefit more than others, the overwhelming majority of taxpayers at all income levels did receive tax cuts. For New York taxpayers with incomes below $50,000, these tax reductions averaged 18 percent.

Lindsey and Rubenstein also inaccurately assert that New York's tax reform imposed a "marriage penalty" on two-earner married couples. While the law abolished the cumbersome three-column tax return and substituted a joint return similar to the federal income tax, New York's tax-rate brackets were adjusted to embody the principle of "income splitting" under which married couples pay no more tax than they would have had they remained single.

Your authors also overstate the impact of "bracket creep"—the tendency of inflation to increase tax liabilities in a progressive income tax—in offsetting New York's tax reductions. Lindsey and Rubenstein based their assertion on calculations that the "elasticity" of the income tax is 1.64 percent. In fact, estimates by the Office of Tax Policy Analysis of the New York State Department of Taxation and Finance place that rate at 1.37 percent, thus reducing significantly the offset projected.

While significant progress has been achieved in reducing tax rates in New York—especially relative to those of neighboring states—the Empire State is not immune to the dramatic drop-off in revenues that have confounded state and local governments across the United States this year. Coupled with greatly reduced federal aid to the states, the national economy has pushed six states (not including New York) into recession and left 10 more teetering on the brink.

Even as the Federal Government is urging, rhetorically, that states increase efforts to fight drugs, reduce crime, improve education, and rebuild roads and bridges, Washington is increasingly shifting these burdens to state and local governments. That may be good politics for Washington, but it is lethal for tax reductions at the state and local level. It is not surprising, therefore, that local property taxes across the nation have, on average, doubled in the past decade.

I think it is fair to say that Governor Cuomo and both houses of the Legislature share Lindsey and Rubenstein's primary thesis: New York should make further progress in tax reductions. Our difference is in how best to achieve that goal.

Here in New York, we have achieved results by holding spending below the average growth of other states in the nation and particularly in our region. In the past two years, for example, we have kept general-fund spending growth below the rate of inflation. So long as the national economy remains troubled, such sacrifice will be required if New York is to meet the most urgent needs of its citizens and preserve lower tax rates.

Mr. Lindsey can be particularly helpful to his avowed desire to reduce New York's tax rates if he can convince the President to finally adopt realistic fiscal and monetary policies to help restore national economic growth, and encourage the President to assume a greater share of responsibility for national problems that have been dumped upon the state. Such policies would help preserve New York's ongoing commitment to tax reductions.

James W. Wetzler
Commissioner of Taxation and Finance
New York State

Edwin Rubenstein and Lawrence Lindsey Reply:

In defending New York's tax cut Mr. Wetzler resorts to a variation of the old shell game. He tells us to keep our eye on the top marginal tax rate, which has indeed been cut from 10 percent to 7.785 percent since 1983. Mr. Wetzler correctly notes that neighboring states have raised their top income-tax rates to levels approaching and, in some cases, even exceeding New York's.

Unfortunately, the tax burden facing most New Yorkers is influenced more by what the other shells conceal—the elimination of personal exemptions in 1987, the higher marriage penalty on married couples, and the failure to index income-tax brackets to inflation. As our article points out, the effective tax rates—taxes as a percentage of income—of many working-class families are higher now than before the tax "cut." Those taxpayers who managed to keep gross income growing at the rate of inflation find they have considerably less after-tax purchasing power because of bracket creep.

No matter how you measure it, New York's income tax is far more burdensome than that of any other state. In 1988 (the latest year for which data on all the states are available) state income-tax payments averaged $728 per capita here versus $327 in the nation as a whole, a differential of more than two to one. Between 1983 and 1988 the average effective income-tax rate faced by New Yorkers rose from $38.06 per each $1,000 of personal income to $42.28 per $1,000 of personal income, a rise of 11 percent. This despite the "biggest income-tax cut in New York history."

With 7 percent of the nation's population and 9 percent of the personal income, New York collects 16 percent of all state income taxes.

This spring Albany decided that we could not afford the last phase of the tax cut. To the wealthy this meant little: Most of the planned reduction in the top rate had already occurred. But low-income

taxpayers were deprived of a substantial increase in the standard deduction scheduled for 1990. This was to have been a major step toward removing poor New Yorkers from the tax rolls and reducing tax burdens on the state's lower-middle-class taxpayers. It should never have been postponed.

Is New York Going Down the Tubes?

Peter Salins's heartwarming assurance that New York is not "going down the tubes" ["Is New York Going Down the Tubes?" Autumn 1990] is an accurate reflection of his good digestion and cheerful mien. The same set of facts might well produce a far more pessimistic conclusion in a less well-favored observer.

To "go down the tubes" hints at a sudden and complete catastrophe, an abandonment of the city matching the fate of a Western mining town as the local vein of gold ran out. A lot of terrible things can happen short of tubular jettison.

The question for New York is whether its economy and thus, inevitably, its government, will continue to deteriorate, and if so, who will suffer what. The industries that drove expansion in the Eighties are now declining. The more traditional enterprises that have stagnated since the end of the Second World War—shipping, large-scale garment-making, and small-scale, relatively high-skilled manufacturing enterprises—are hardly reviving.

Salins recognizes that the city's physical assets, essential to its comfort and prosperity, have been sadly neglected. The prospective costs of waste disposal, water supply, highway and bridge repair, and environmental protection are ominous. He suggests that the city could rebuild deteriorating assets by cutting back on human services. The intent is admirable, but who would dare to suggest it from a political platform? Where is the political will to balance the budget on the backs of the poor, as the practice would be described?

There are, of course, hopeful signs, not least the cresting of a new wave of immigration. But the recent political history of New York City suggests that present residents are less likely to see improved economic prospects than a continued drop in the market value of the city's land and buildings, decreased funding for public and private capital plants, growing numbers of people without comfort, prospects, homes, or emotional stability, and desertion of the central city by what's left of the present entrepreneurial cadres.

Not down the tubes exactly, but still a sunless possibility.

Roger Starr
New York, N.Y.

Peter Salins is right when he says that "everything is relative. Urban America is a troubled enterprise everywhere, so the most critical measure of New York's future is whether the city is losing ground relative to its municipal peers or near peers." As *The Report of the Commission on the Year 2000* pointed out, the standard of New York is not Detroit or Dallas, but rather London or Paris. New York is this country's only world city (although Los Angeles may eventually get there), and must be measured by the standards of its real peers, not by the standard of Portland, Oregon.

Compared to its real peers New York City remains a mecca for the talented, the ambitious, and the risk takers, despite social ills on a scale unmatched in any other world city. Yet New York's ability to attract and retain the best in every field is weakening. That's what worries Salins—and me.

Not only are traditional municipal responsibilities threatened by cutbacks, some are dangerously weak already and desperately need strengthening—the schools and the capital plant in particular. When working citizens and businesses are required to pay increased taxes for diminished basic services, a groundswell of cynicism is likely to emerge, and that is happening. We are at risk of being paralyzed by negative messages.

The contrast between New York's enormous assets and its daunting problems has been part of the city's character for most of its history (see Walt Whitman for one), but we are facing something new today: The confidence that we can solve our problems may be slipping away. In the short run, New Yorkers need to hear that positive change is in the making. That is Salins's main argument and I see it as a call to action.

With regard to particular reforms, it would be useful to look back at the Year 2000 report for guidance on where and how change can be made. That report mirrors Salins's perception of a city of promise, and suggests just how problems can be turned into opportunities. I suggest that New York's leaders—in government, the nonprofits, and business—use it to begin a debate on how a partnership can move the agenda.

Margaret E. Mahoney
President, The Commonwealth Fund
New York, N.Y.

Peter Salins has written deftly—as he usually does—about New York. His is a balanced piece exposing the pros and cons of city life. Yet it leaves me with a curiously empty feeling.

There is a passion to the dismay that New Yorkers feel that goes beyond disinterested analysis. The statistics may indicate "we are not going down the tubes," but the average New Yorker will tell you that is precisely what is happening.

The combination of high taxes that are getting higher each year and poor service has put the working class in a vise. Crime is not evaluated on the basis of murders per 1,000 in the population, but on well-publicized events such as the Central Park jogger case or the girl murdered while sleeping in her mother's arms amid a cross fire of bullets. These events are the source of memories etched in the New York consciousness.

It is not easy to erase perceptions nor is there a formula for doing so. But impressions often run deep. A metaphor like New York going down the tubes will not disappear from a collective memory bank as long as stories of violence appear in the press and the signs of visible decay are ubiquitous.

Herb London
New York, N.Y.

Helping the Homeless

I read with great interest the article by Randy Filer, "What Really Causes Family Homelessness?" [Autumn 1990]. This issue has been with us in the City of New York as far back as John Lindsay's administration, if not before, and still faces the current Dinkins administration. It appears almost intractable.

Many people have examined why families become homeless, but I believe no one has provided as many well-researched insights as those which appear in Mr. Filer's article. I concur with his conclusions.

Edward I. Koch
New York, N.Y.

Housing Madness

William Tucker's article, "The Hidden Cost of Housing Madness" [Autumn 1990], provides a concise and comprehensive picture of the costs and consequences of New York City's failed housing policies. Mr. Tucker's thesis, that the city's distaste for traditional small landlords has contributed to the fiscal crisis, is upheld by recent data. The city has completed tax foreclosures on twice as many properties in the first six months of 1990 as in all of 1989.

The dramatically increased rate of abandonment is only a portent of things to come, since the city is now foreclosing on delinquencies that occurred at least two years ago, before recent sharp increases in property taxes and water and sewer bills, coupled with inadequate rent increases, began to take their toll. Sad to say, we are now faced with the prospect of the abandonment of thousands of additional housing units. These new abandonments will further deplete the city's tax revenues and doom many remaining low- and moderate-income neighborhoods.

Let us hope that Mr. Tucker's article will prompt a reevaluation of New York's housing policies. The city is now spending more than $5 billion to rehabilitate housing it previously acquired through abandonment. If that housing is restored to the same overly regulated environment that forced it to be abandoned in the first place, then the city is merely sowing the seeds for future disaster.

John J. Gilbert III
Rent Stabilization Association of N.Y.C., Inc.
New York, N.Y.

The Manhattan Institute is proud to announce the establishment of the Brunie Fund for New York Journalism in honor of Charles H. Brunie, Chairman Emeritus of the Manhattan Institute's Board of Trustees and Chairman of the Board from 1980 to 1990.

The purpose of the fund is to enable scholars and journalists to explore in depth the most fundamental issues facing New York City.

***NY*'s current cover story, "Reclaiming the Subway," by distinguished urban scholar George Kelling, is the first published work supported by the Brunie Fund.**

EDITOR'S JOURNAL

Can't Buy Me a City

If asked to name the two most overblown news stories of 1990, I would be tempted to answer: the city and state fiscal crises. As **Edwin Rubenstein** points out elsewhere in this issue, it is fairly predictable that if you spend all the revenue you can possibly raise and then some during boom times, as soon as the economy slows, you will go bust.

The worst thing about these recurrent fiscal crises is that they tend to make New Yorkers even more skeptical and cynical than usual about solving our other perpetual crises—in crime, health, housing, and the rest. How can we fix things while we are broke?

The answer is that the solutions to New York's crises, both fiscal and other, lie not at cross-purposes but along parallel lines. They are all best addressed by a single, long-slumbering insight: New York's real resources are not taxpayers and their tax payments but citizens and their communities.

For the most part citizens make their own lives, raise their own families, build and even defend their own communities. For years, however, New York City policies have placed too many stumbling blocks in the way of these normal human efforts. For that error even the most lavish city budget cannot compensate, because money is no substitute for communities that work.

One small but deadly stumbling block is revealed in **Robert James Bidinotto**'s shocking exposé of New York's criminal privacy laws, which keep New Yorkers from knowing whether prospective employees, tenants, or even roommates might be violent criminals. Normally the private character judgments of businessmen and shopkeepers are a vital defense for the community. But New York does not trust employers to judge for themselves whether a violent criminal has reformed. This withdrawal of trust disarms the community, effectively forcing employers to hire criminals, many of whom will rob and rape and kill again.

As **Peter Salins** shows in his brilliant reassessment of rent control, in most New York neighborhoods rent regulations do not reduce rents very much. But as *NY* contributor Roger Starr has pointed out, rent regulations do prevent landlords from performing a vital social function. In most cities, landlords reinforce community standards: They want tenants who pay rent, and do not destroy their buildings. These happen to be just the sort of people most communities want, because they are also the sort of people who tend not to defecate on the sidewalks or sell drugs in the school yard. In New York, rent regulations deny landlords much say over who lives in their buildings, and thereby deprive communities of a traditional—and free—form of protection.

This is not a small loss. As **George Kelling** so persuasively argues in our cover story, when community standards break down, fear and disorder take hold, to be followed inexorably by serious crime, making any real community impossible. All too often in New York this spiral of decay begins precisely because government policies, rather than helping neighborhoods work, undermine their defenses and sap their natural strengths.

Yet our greatest failures conceal our greatest hopes. Citizens can do so much good for themselves and their communities, if they are trusted to do it. To rebuild this city, we need not billions in new tax dollars but a deeper understanding of how communities work, and the courage to let them go to it.

—RV

Private Crimes

Working behind the pastry shop counter at Brooklyn's Albee Square shopping mall, 18-year-old Julissa Rivera tried to pay attention to her customers. But she was having trouble with a new security guard, Fred Bradley. He kept bothering her. Finally she had to recruit the help of a patrolling police officer to get the young man to leave her alone.

When the mall closed that night, April 23, 1988, Julissa was the last to leave. According to police, Bradley grabbed her, dragged her to a rear stairwell, brutally assaulted her with a firehose nozzle, then beat and strangled her. At his trial last year, Bradley confessed to the murder and was sentenced to 25 years to life in prison.

This was not Bradley's first brush with the law. He had a serious criminal record, including several arrests for armed robbery, one conviction, and an 18-month prison term. How could such a man have been hired as a security guard?

The answer is that New York law is big on privacy—for criminal offenders. Albany has passed a whole series of laws to make sure that New Yorkers with long, violent records are not inconvenienced by them as they reenter society. This is good for the minority of released convicts who go straight—but even better for the majority of convicts who do not, such as Fred Bradley.

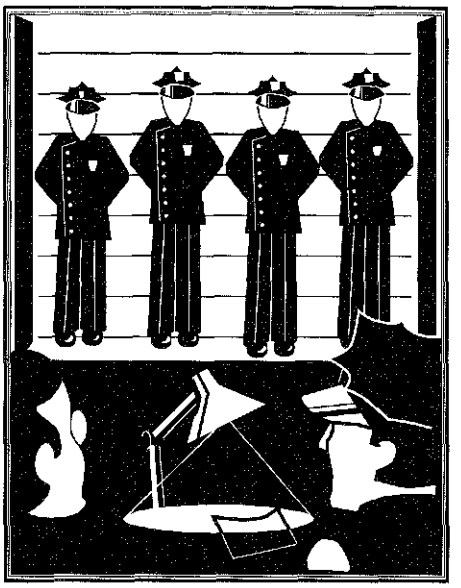
A detailed criminal record, a rap sheet, is among the most powerful indicators of whether someone will commit future crimes. But New York, unlike many states, keeps rap sheets entirely off-limits to the concerned public. It will not let the worried citizen check out a prospective roommate for larceny or assault convictions, or a would-be business partner for a record as a swindler, or a babysitter for a history of sex offenses. The secrecy extends not only to arrest records, but to conviction and sentencing records as well.

The state's Division of Criminal Justice Systems (DCJS) in Albany, which keeps the state's rap sheets, will usually come across with some data when the law *requires* a criminal-record check before someone is hired or licensed. When people apply for police, security-guard, or day-care center jobs, the licensing agency sends DCJS their name and fingerprints. What it gets back, however, is not a detailed rap sheet, but usually only a brief up-or-down summary, enough to pass or veto the application.

The process takes time, and many guards are on the job for months before their background checks are complete. Reginald Darby was one: He had been hired as a security guard at Columbia University despite an extensive criminal record. Last

February, Darby used his guard status to enter a women's dormitory, where he raped a female student at knifepoint.

Delay was not the problem in the Albee Square Mall case. The state's Division of Licensing Services received the inquiry about Fred Bradley in good time, and would normally have warned the guard company about his criminal record. Bradley, however, benefited from a second layer of New York's elaborate protections for criminal privacy. A Manhattan court had put a "certificate of relief from civil disability" in his file under Article 23 of the state's Correction Law. Such a certificate declares the subject "rehabilitated" and forbids any release of information from the file. The unsuspecting guard company—and Julissa Rivera—were out of luck.



All of which makes a bizarre contrast to the fishbowl lack of privacy elsewhere in our legal system—in civil lawsuits, for example. Had Fred Bradley been a doctor charged with malpractice, any and all charges against him—even if dropped before trial or shown to be unfounded—might have become permanent records, later published in consumer guidebooks. The state trusts patients and hospitals to assign no more than appropriate weight to the past legal trouble of suit-prone MDs.

In criminal cases, however, New York keeps portions of its rap-sheet data base off-limits even to police departments. Many juvenile records are held back, for example. And Gerald Kerwin, chief of identification operations at DCJS, says Section 160.50 of the New York criminal procedural law routinely directs courts to seal records of arrests that do not result in convictions. If Westchester or Nassau detectives suspect a drifter of rape, his court-sealed arrest on similar charges in Brooklyn or Manhattan "would not turn up" in their routine state check, Kerwin says.

This makes life a holiday for border-hopping New York thugs. Police know that full arrest-plus-conviction rap sheets are far more valuable than conviction-only records, both in signaling the activities of repeat or career criminals and in profiling the modus operandi of their crimes. Huge numbers of arrests fail to result in convictions for reasons that have nothing to do with innocence. Witnesses scatter and victims fail to press charges, especially in sex crime cases. Of every 1,000 felonies, only about 80 result in an arrest, far fewer lead to conviction, and only 17 result in imprisonment.

Moreover, 80 to 90 percent of convictions follow plea bargains, usually to lesser charges, and only the lesser charges show up on a conviction-only record. (Reginald Darby's record was sanitized in this way, with several felonies plea-bargained down to misdemeanors.) A full rap sheet including all arrests will show whether an assault conviction was plea-bargained down from, say, robbery, rape, or aggravated assault—giving police vital pointers as to what kind of crime a suspect may commit in the future.

With Albany refusing to share vital information, local police forces are left to "horizontal cooperation": Westchester cops can phone around to neighboring jurisdictions one by one. But real cases unfold minute by minute, with detectives often working against the clock. Delay can be tragic.

New York law provides yet another layer of protection for criminals. Under New York law an employer who somehow learns that an applicant has a long, brutal criminal record must hire him anyway. This obligation appears, with Orwellian logic, in New York's "Human Rights Law" of 1976: "It shall be an unlawful discriminatory practice for any person . . . to deny any license or employment to any individual by reason of his having been convicted of one or more criminal offenses." The only exceptions are spelled out in Article 23-A of the New York Correction Law: if "there is a *direct* relationship between . . . the previous criminal offenses and the specific license or employment sought," or if the license or employment poses an "*unreasonable* risk" to the public [emphases added]. To the lawyer, the use of imprecise words such as "direct" and "unreasonable" are flashing red danger signals of an unpredictable outcome in court. The New York employer who openly favors job candidates with clean police records had better have deep pockets to handle any eventual back-pay award.

Privacy laws are meant to protect rehabilitated criminals. Sadly, these are few and far between. A 1987 National Institute of Justice survey of more than 2,000 state prison inmates found that each convict averaged more than 187 crimes per year while free, excluding drug deals. And a Bureau of Justice Statistics survey of more than 108,000 inmates who were released in 1983 found that two-thirds were rearrested for a serious crime within three years.

There are signs that the public is getting fed up with the notion that criminal records are a private matter. For one thing, secrecy laws often serve to shield negligent public officials from public scrutiny. When, in separate incidents, two Bronx 5-year-olds died from abusive beatings, state and city officials refused to release any information from child welfare records that might have shown the social services bureaucracy negligent, citing Section 422 of the state's Social Services Law. Secrecy laws likewise often protect parole boards and correction officials from scrutiny.

In the Darby assault case, privacy rights were taken to an even more gruesome extreme. The rape victim was desperate to know whether Darby carried the AIDS virus. But New York law protected, on grounds of privacy, Darby's right not to reveal this or submit to testing, *even if convicted of the rape*. To get him to cooperate, Manhattan prosecutors quietly offered —and Darby accepted—a plea bargain that substantially reduced his prison sentence.

Crime and punishment are not private matters. Crimes are public assaults to which public agencies respond through the classically public steps of arrest, indictment, trial, and imprisonment. For the occasional citizen wrongly arrested, or the rare rehabilitated criminal, an appropriate remedy might be more sunlight rather than less: adding to the file a memo recording legal vindication or a long stretch of good behavior. Nor does the federal Constitution oblige New York to keep criminal records under lock and key. Florida, Oklahoma, and Wisconsin follow "open records" policies that work smoothly

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Robert James Bidinotto, a staff writer at Reader's Digest, *has written frequently on crime and punishment . . . Mark Cunningham is an assistant editor at* National Review *. . . Raymond Domanico directs the Manhattan Institute's Center for Educational Innovation . . . David Brooks is an editorial writer for the* Wall Street Journal.

and are fully consistent with the Constitution.

Crime thrives in the unlit places. The simplest, least expensive way to fight it is to let people protect themselves in the first place. It helps a lot to know who the potential enemies are. Why won't New York let its citizens find out?

—Robert James Bidinotto

Trash Can Traumas

"If people choose not to recycle they are going to pay a very stiff price," Mayor Dinkins announced as the city issued the first ticket for noncompliance with the new recycling program. He's not kidding. For those who violate the new rules requiring garbage to be separated into four separate categories (paper, glass and metal, returnables, and regular trash), fines start at $25 a container. A second offense costs $50, and a third $100. A fourth offense within a six-month period is worth $500 per container, at least in larger buildings. Mercifully, "persistent violators" cannot be charged more than $10,000 at a swat, no matter how many containers of wantonly unsorted waste they leave for the trashman.

Thus a new regulatory burden descends on New Yorkers. The city itself clearly recognizes the burden will be heavy and deeply resented. To make the system work it has created an all-new "green" police. The new force will carry guns, the better to deal with angry citizens put off by the garbage rules. Yet for all the bother —and worse—the city is about to impose upon its citizens, there is little evidence the city will gain anything from the new program besides the revenue from the fines.

Individual homeowners will certainly be annoyed by the program. Four kitchen trash cans will not be popular even in their relatively spacious (by New York standards) kitchens, nor will they warm to paying fines because a passerby dropped a bottle in the wrong can out front. Will less than neighborly neighbors start dumping unsorted trash in each others' cans to avoid those big fines?

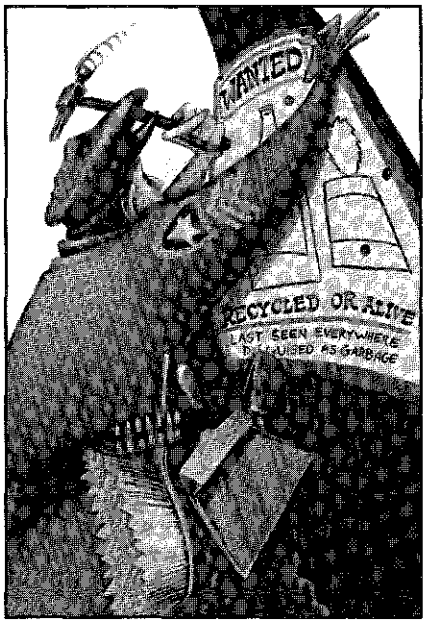
Landlords face all those problems and more. They can get fined even if it is tenants who are not separating out their recyclables. This poses an obvious problem. In other cities landlords enforce "house rules" on the implicit threat of not renewing a tenant's lease or, in extreme cases, evicting him. But in New York City it can take ages to evict a tenant even for nonpayment of rent. Evictions for other reasons, such as threats to public hygiene, are even rarer. The city's position is therefore that landlords have a duty to make sure their tenants know the law and enable them to comply. So the city will ticket landlords for not, say, plastering halls with notices or putting the blue recycling containers in an obvious place.

If a landlord can prove that he has posted notices and the rest, the sanit cops are supposed to go after individual tenants. But which ones? To find out, they will search garbage for identifying material: magazines, bills, personal letters. Regarding the Orwellian overtones of such searches, the Sanitation Department points out that the U.S. Supreme Court says garbage is not personal property. Besides, sanit cops have to examine garbage anyway to see whether it has been properly sorted.

This is going to make New York apartment life more complicated. Those who acquire roommates through the share ads in the *Village Voice* will want to stay on good terms with them, lest a roommate toss that postcard from Mom in the same bag as the illicit cat-food cans that can precipitate $100 tickets. Of course, some tenants will solve their problems by discarding identifying bills and letters in a separate bag—which is probably easier anyway than making space

in a New York apartment for four trash containers.

With its rich potential for evasion and sabotage, the recycling program should also add a new dimension to the perennial New York war between tenants and landlords. Want to get that rent-controlled tenant out of 6-B? Tip off the sanit cop to a bag with the right identifying papers, and soon she'll find out that sticking around costs plenty. Tenants can play too. Does the tenants' union need some extra leverage for its demands? Then get everyone to sign a petition saying how difficult the landlord makes recycling—or simpler, have someone tear down the recycling notices and throw the blue cans in the river—and the landlord will be out 10 grand a week until he cracks.



The Sanitation Department's enforcement history for other laws does not bode well for New Yorkers who cannot stay home to watch their garbage all day. One existing law makes private-property owners, commercial and residential alike, responsible for keeping their sidewalks and curbsides free of litter, on pain of ticketing. Until recently, early-bird officers routinely ticketed merchants for overnight sidewalk litter that built up before they arrived to open their stores in the morning. Now the law has been amended so that ticketing can go on only during two to four specified hours each day. Even so, says Stan Roher, president of Brooklyn's leading merchant group, the city's standards are impossible to meet, because they make merchants and residential-property owners pay for messes they cannot possibly control, such as litter dispersed by gusty winds or sloppy passersby.

Merchants are convinced the sidewalk ticketing is run as a revenue-raising measure, not a cleanliness program. In September the minimum fine for violating the sidewalk-litter law went up to $100, on the very odd excuse that too many sanitation agents were being offered bribes to reduce the applicable fines.

Recycling fines could turn into the next big revenue source for a financially pressed city. How much effect this will have on actual recycling goals is another question, especially in neighborhoods where the city can't keep children from getting shot, let alone from tossing applesauce jars into the wrong bin. Voluntary recycling did very well in affluent neighborhoods such as the Upper West Side and Park Slope, but hardly caught on at all in many poorer areas, a failure sanitation officials and recycling activists blame on that all-purpose villain, insufficient public education. Mandatory fines for improper sorting, if enforced seriously across the board, will quickly ravage the finances of poorer families that fail to achieve middle-class levels of tidiness. To avoid that outcome, the city can be expected to focus its efforts on middle-class citizens and neighborhoods, on the theory that they're more susceptible to "education" and intimidation. Besides, that's where the money is.

Private carters are the only group that is almost sure to profit from the recycling

laws. Next year, the city phases in mandatory recycling for businesses, which do not get their trash picked up by the city but have to pay for private service. In practice, business customers will pay their carters to separate recyclables after collection. Meanwhile the Rent Stabilization Association is advising apartment landlords to consider switching to private carters: Paying them to pick up and sort trash may be cheaper than paying the fines that can accompany the city's free service.

All these new burdens are the more annoying for being unnecessary. Taking a hint from the private carters, most cities do not even try curbside recycling in densely populated neighborhoods, opting to do their own "post-collection separation." New York, with one of the most expensive public sanitation services in the country, is almost alone in preferring the low-tech, make-the-people-do-it method. Should not the city at least make post-collection separation an option, for which it could charge a fee?

Yet even under a better system, recycling would solve no fundamental problem. No matter how coercive the laws, upwards of 75 percent of the city's garbage will have to be disposed of in other ways, a problem the city has been ducking for years. A 25 per cent reduction in the amount of trash piled onto Fresh Kills, the city's only and the world's largest landfill, will not help much, especially as Fresh Kills already fills almost as much sky as land.

Incineration would solve some problems. Thirty years ago when many New York apartments had their own rather primitive garbage incinerators, incineration was a major source of pollution here. But incineration has gone hi-tech and eco-sensitive, making it the wave of the future for much of the Northeast. Even in Hempstead, Long Island, where the fight against it was long and bitter, the new incinerator satisfies state environmental officials: The risk of cancer to residents, one in a million, is the same as that of being hit by a train. Taxpayers like it too, since it costs half as much per ton as Hempstead used to pay to have garbage hauled away. But Mayor Dinkins has blocked the planned Brooklyn Navy Yard incinerator, bowing to pressure from local residents, even though the environmental impact studies show the incinerator would produce less pollution than the trucks hauling the trash there.

Instead the city is pushing a program that looks all green and cuddly—or will until the already overburdened middle-class citizens meet the enforcers. The city ought to take a hint from the very guns it has placed on the hips of its new sanitation cops. When a government contemplates such heavy-handed enforcement not against career criminals, but against otherwise law-abiding and productive citizens, that is a sure sign that it is overburdening its own people.

—Mark Cunningham

New York's Lost Teachers

New York City's public school system has a hard time attracting well-qualified teachers. Nearly a third of new teachers in the city's public schools lack state certification. Once in the classroom, new teachers rarely get any fresh training. So when a chance comes along to bring promising young talent into urban schools without a big financial outlay, local school officials might be expected to jump at it. In New York City, unfortunately, they jump on it with cleats.

That is what happened to an innovative program that city school officials recently drove out of the system—and into the more receptive arms of suburban and parochial schools. It all started in 1987 when the administrators of District Four, the maver-

ick school district in East Harlem, joined with Fordham University on a collaborative project called the Fordham Fellows Internship Program. The idea was to give prospective teachers hands-on practical experience in the classroom alongside their academic courses in teacher training.

The program worked as follows: The East Harlem school district took the money it received from the central board to cover a classroom teacher's salary ($25,000 on average) and used it to pay Fordham tuition ($13,000) for a graduate student working toward a masters' degree in teaching. In exchange, the graduate students agreed to spend a year as classroom teachers in East Harlem schools; along with the free tuition, they received a modest stipend ($3,000) and health insurance. Fordham modified its usual program so as to allow the students to earn all the necessary credits in one academic year and two summers, and also arranged to have professors hold classes in the district to ease the graduate students' schedules. Meanwhile, District Four used the remaining funds from its classroom allocation (roughly $8,000) to provide one senior teacher to supervise every five graduate students. Fordham appointed these mentors as adjunct professors.

Everyone seemed to win. Fordham got a program to attract eager students, often from outside the ranks of education majors, and give them a secure source of tuition. Aspiring educators got a way around two of the most discouraging features of teacher education—the high expense and the lack of hands-on classroom work. Senior teachers in District Four got the interesting challenge of training young colleagues, and the genuine prestige of the adjunct professor title. Best of all, East Harlem students got the benefit of fresh teaching talent that, in the view of district administrators, outperformed the warm bodies the Board of Ed too often sent over. Not a bad deal, right?

Enter the central Board of Education, acting, it would seem, as bargaining agent for the United Federation of Teachers (UFT). Six months into the program, the District Four administrators were called into the chambers and onto the carpet of the Chancellor's office. They were met by a deputy chancellor; directors of budget, personnel, and labor relations; and a high-ranking UFT representative, and told flatly that the Fordham Fellows program violated the board's UFT contract. The contract prohibited the city schools from employing a classroom teacher at less than the negotiated salary. Free tuition not only was not supposed to make up for the lack of a salary, it was not supposed to count at all. The district would have either to shut down the program entirely or, what amounted to the same thing, begin paying the graduate students a full salary in addition to covering their tuition.

The choice was no choice at all. The District Four administrators paid the graduate students full salary for the rest of the year, and then reluctantly withdrew from the program. By this time, the program's designers had realized that the program

would inevitably trigger union misgivings and had begun looking for ways to modify it. In the public schools of Mount Vernon and Mamaroneck, the districts managed to come up with the extra money to pay the graduate students a full salary. The parochial schools of the New York Roman Catholic archdiocese, which are also unionized, took a different route. The graduate students receive only the stipend, but Fordham sweetens the deal by using some of the tuition money to provide 30 credits of education course work free of charge to a veteran teacher or teachers at the schools.

It was not surprising that UFT officials would recoil from a program that in some ways threatened their contract rules. What is disturbing is how Board of Ed officials reacted to that first reflexive union opposition. They might have run interference for a promising new innovation of this sort, helping steer it over the shoals by adapting it to union worries, or—if union officials insisted on blocking it—threatening to go over the union's head to the public for support. Instead, they zealously guarded the status quo.

Fordham now has a full complement of schools to work with and is not expanding the program further for the moment. But New York City, where the idea started, will not be getting any of the benefits. As many of the city's schoolchildren face the school year with undertrained, ill-prepared teachers, their parents can at least reflect with satisfaction that all the rules were obeyed.

—Raymond Domanico

Choosing Schools London Style

East Harlem may seem an unlikely place to inspire international education reform. And yet . . . "It is here that many of Britain's school reforms find their inspiration," noted a recent glowing *Times of London* report on New York's District 4. "It is here that you can see the future and decide whether it works or not," enthused the *Times*, referring to the district's policy of allowing parents to choose schools for their children, and of closing down schools that do not attract clients.

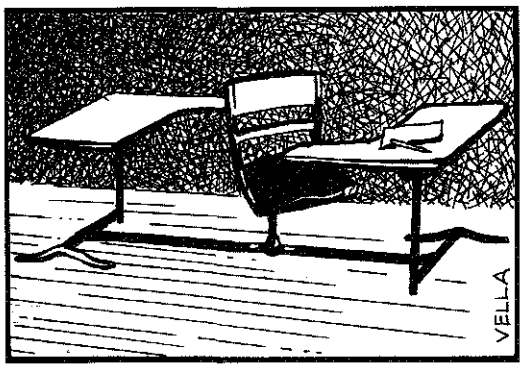
In fact, British enthusiasm for education reform has outrun its American model. Two years ago, the government of Prime Minister Margaret Thatcher pushed startling, radical reforms through Parliament. As in East Harlem, the 1988 law gives British parents the right to choose schools, a right of which most American families can only dream. More ambitiously yet, the law aims by stages to free publicly supported schools from their subservience to local political and educational authorities.

The British reforms authorize the establishment of "grant maintained" schools, commonly known as "opt-out" schools. The process works as follows: Parents at any state school can propose to opt out. A referendum is held, and if the majority vote for opting out, the school is separated from the local (but nationally funded) education authority. A parent-dominated governing body takes charge of decisions on everything from staffing to the new science lab. An opt-out school may accept any student within the district. The school gets a lump-sum check straight from London, its size determined by how many students it attracts and by how much the local authorities had been spending per pupil under the old system. The national government then reduces its subsidy to the school district correspondingly.

The reformers hope that schools freed from bureaucratic controls will be more vig-

orous and creative, and that allowing parents to choose will encourage good schools and drive the bad ones out of business.

An atmosphere of general emergency helped make the bill possible. British schools, like our own, had slumped badly since World War II. Nevertheless, the Thatcher bill was greeted with horror by the educational establishment. Local governing councils, Labor and Tory alike, opposed it: Education comprises up to half of their spending. Unionized teachers threatened mass resignations. The *Guardian*, the editorial voice of public sector entrenchment, called the idea "reactionary, divisive, and wickedly irresponsible." Thatcher's own Education Department dragged its feet. Unexpectedly perhaps to an American, the leadership of the Roman Catholic Church lined up with the opposition.



Opponents have played rough. In Brent, black parents were told that opt-out schools would discriminate against them. Elsewhere, parents have complained of threatening visits to their homes before ballots. The week Dartford parents were set to mail in ballots, the Tory-run council sent out a similar-looking questionnaire; if not enough parents had known which form was which, the opt-out proposal would have failed. A Local Government Information Office also fights opt-out referenda through pamphlets, billboards, and newspaper ads financed by taxpayer money.

The guerrilla warfare continues even after a successful opt-out vote. Bolton's and Tameside's Labor-run councils have ordered local agencies not to sell cleaning, maintenance, or meal services to the newly independent schools. Birmingham bars students at opted-out schools from taking part in vocational seminars or using the municipal pool or study centers. The Sutton local council lobbied London to cut the lump-sum check of the opted-out Wilson School by $150,000.

Nonetheless, the opt-out schools are coming along, if slowly. Though so far fewer than 1 percent of British schools have opted out, applications to do so are up 40 percent this year. They are nearly fully staffed, though Britain suffers a severe teacher shortage. There were no mass teacher resignations. Because as much as 25 percent of school funds had previously been absorbed by the district bureaucracy, opt-out schools have more to spend on books, equipment, and the like.

Better yet, schools have more leeway to direct their money to the kinds of spending they find most important, instead of waiting for directives to trickle out of a local authority office. Bankfield High School hired six extra teachers, as well as a full- and a part-time support staffer, to give teachers more time to prepare lessons. Claremont High School refurbished four science labs and built a wood shop. The Baverstock School in depressed Birmingham has about $570,000 extra a year to spend, a 25 percent increase. It has more than doubled spending on books, spent $49,000 on computers, and added a hot breakfast program. Spending to upgrade textbooks is a favorite reform: The Hendon School, for example, has increased spending on books by 58 percent since opting out, and quadrupled its spending on classroom

equipment. Bankfield increased textbook outlays per pupil from $53 to $171.

As we know from studies in America, extra spending does not guarantee extra learning. What most excites headmasters and teachers is the new freedom schools enjoy. "Once a decision is made, those involved in making the decision are here," says John McIntosh, headmaster of the opted-out London Oratory School. "We don't have a paper chase around the local education council for months. And then you find at the end of it they say the papers have been lost and you have to start again."

Mr. McIntosh says he used to spend hours at arcane planning sessions at the district office headquarters. Then back at the school, local bureaucrats would swoop down like lords issuing orders and demanding obedience. Now department heads at his school have direct authority to purchase equipment, and the school makes its own arrangements for repairs and the like with local contractors. The local authority formerly took up to three years to replace equipment. (Perhaps they had received their training from the New York City custodian's union.) Now when a window is broken, it can be fixed the same day. "Local education authorities," he notes acidly, "are a tier of administration that serve no useful purpose at all."

Opt-outs survived an important test in June when the nation's high court upheld parents' right to choose, overruling a decision by a judge who had ruled that allowing the Beechen Cliff School near Bath to opt out would illicitly disrupt local schooling. In some ways the momentum is accelerating. The departure of some schools concentrates the costs of supporting a local bureaucracy on the remaining authority-run schools, heightening the incentive for more to opt out.

The political equation is less clear. The Grant Maintained Schools Trust, the government body that coordinates opt-outs, does not offset local education-authority lobbying; it encourages gradual opting out by a few schools each year, but avoids controversy or confrontation. The union-allied Labor Party has pledged to restore the local education-authority monopoly if it returns to power, and many parents have thus decided to postpone opt-out campaigns until after the election, lest their efforts be undone by a Prime Minister Neil Kinnock. And now the Conservatives are backing an even more strictly uniform national curriculum that threatens to make schools carbon copies of each other—although choice is meaningless if schools are all alike.

There are some other difficulties with the British system. The opting-out procedure is rather burdensome for parents, who must take the initiative to organize what is essentially a new small business, and then run it, at least as trustees. And while there is much evidence that parents want to be able to choose their children's schools, most probably do not want to run them. The other side of that coin is that the teachers have much less responsibility for setting the course of the opted-out school than do teachers in, say, East Harlem, where teachers are invited to take leadership roles. Remotivating demoralized teachers was a major factor in East Harlem's success. In Britain, the Thatcher government still titillates itself with teacher-bashing, so that many teachers view opting out as a threat, not an opportunity.

At the moment, however, Britain is miles ahead. An opt-out program is a logical next step to follow school choice: It bypasses the education bureaucracy, rather than trying to reform it. Mrs. Thatcher found the way and had the force of character to do it: Will we catch up?

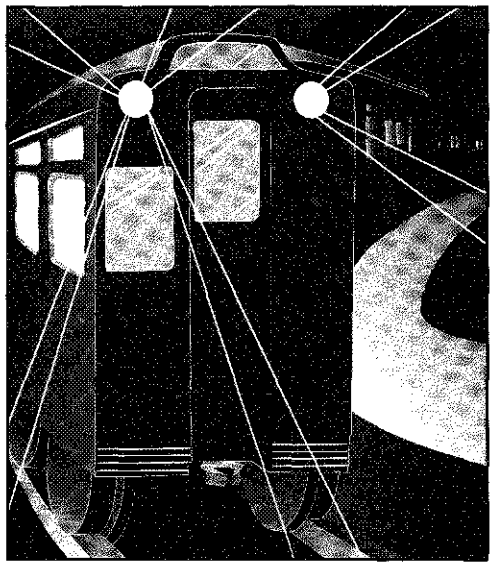
—David Brooks

Reclaiming the Subway

by George L. Kelling

At midday in a New York City subway train, a man carrying a paper cup approaches a woman and thrusts the cup in front of her. She ignores him. He thrusts the cup nearly under her nose. She glances about, checking her situation—the train is approaching the terminal. If he's hungry, she says, there's a church nearby where he can get some food—she is specific about its location. He glowers at her, and pushing the cup even closer says, "Mind your own f—in' business, b—ch." The train stops. The woman gets off the train.

In November of 1989, the Legal Action Center for the Homeless sued New York City subway officials to overturn the transit authority's rule against panhandling in the subway. They succeeded: In January 1990, federal District Court Judge Leonard Sand ruled begging in the subway a First Amendment right.



That decision, eventually overturned, touched off a new round in the 20-year-old debate about maintaining order in the subway. The court case was just part of a broader campaign by civil libertarians and advocates for the homeless, a campaign that threatened to undo the transit authority's efforts to restore public order underground and assure riders a safe, unthreatening, and even pleasant journey.

The transit authority had just completed a stunningly successful anti-graffiti campaign that David Gunn, then president of the New York City Transit Authority (NYCTA), had made a top priority. Now Gunn and other transit authority leaders wanted to show riders that the transit authority could enforce long-standing rules about appropriate behavior on the subway. In particular they wanted to get under control the vagrants who for many passengers had come to symbolize the hassles and occasional horrors of the subway system. The centerpiece of this effort was the highly publicized Operation Enforcement, which was launched in October 1989 and led directly to Judge Sand's ruling.

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For most subway passengers the first phase of Operation Enforcement may have seemed like little more than an ad campaign, headlined by an eye-grabbing poster featuring a burly policeman's hand holding a shield and a list of rules for passenger behavior in big bold print. Yet the fight for Operation Enforcement, its not-yet-decided fate, and its potential accomplishments, will reveal a great deal about the future prospects of this city.

Though Operation Enforcement was largely a police operation, its primary goal was not to fight crime but to restore orderliness to the subway. That may seem an odd priority when serious crimes like murder, robbery, and mugging are plaguing the system. Wouldn't it make more sense to concentrate on those serious problems and ignore merely disorderly or unpleasant behavior? New Yorkers are tough, after all. Can't they take it? Can't they put up with the grit, grime, and minor unpleasantness of life?

No. That is, not without making the far more serious problems fostered by disorder much worse. Disorder, unpleasant in itself, breeds crime, and just as importantly, breeds the fear of crime.

People are, of course, frightened by serious crime. But people are also scared by the behavior of unpredictable and obstreperous people—youths, drunks, the mentally ill, hustlers, prostitutes, and panhandlers. We have only recently understood the depth and pervasiveness of this fear. Surveys from throughout the United States have shown that people will go to extraordinary lengths to avoid disorder. Elderly persons cross the street to avoid groups of youths, or even a single loitering teen. Women avoid places, including subways, in which drunks or youths hang out. Citizens believe the most dangerous spots are not the places where crime is the highest, but rather where disorder is concentrated: places like the subway.

Real crime rates are lower underground than above, but citizens are more apprehensive in the subway than on streets. This fear matters, to the citizens and to the city. People frightened of crime are already victims. They isolate themselves behind multiple locks; they forswear walks in the evening and nights on the town; they avoid public parks, public transportation, and other public amenities; finally they desert cities entirely, including this city.

People frightened of crime are already victims. They forswear walks in the evening and nights on the town. Finally they desert the city entirely

Metropolitan Transportation Authority (MTA) surveys indicate that although only 11 percent of passengers have a firsthand experience with crime, 97 percent take some form of defensive initiative before entering the subway to avoid confrontations: 75 percent don't wear expensive jewelry or clothing, 69 percent avoid "certain people," 68 percent avoid certain platform locations, and 61 percent avoid the last car.

The average person's fear of disorder is not irrational; the link between disorder, fear, and serious crime is very strong. This link is the key to what has come to be known as the Broken Windows theory of crime, so called because of a 1982 *Atlantic* article of that title written by James Q. Wilson and myself. If a broken window is left unrepaired, it signifies that no one cares.

When no one cares, more windows get broken and damage spreads. Likewise, ignoring disorder—youths intimidating adults, for example—also sends the message that no one cares. Youths are emboldened; their drinking becomes commonplace. Prostitutes and drug dealers "hang out." Such locations become susceptible to minor criminality, such as vandalism. Intimidation escalates. Mugging and robbery follow.

The insight that disorder breeds both fear of crime and crime itself is a driving force behind Police Commissioner Lee Brown's campaign to reorganize the above-ground cops for the job of restoring order to ravaged communities. The Broken Windows pattern is also evident in the subways. In the wake of a sustained rise in disorder, much of it caused by the influx of vagrants, serious crime is increasing. In April of 1990, 1,472 felonies were reported, up from 1,276 the year before, and up more than 40 percent from the 1,041 felonies reported in April 1988. Growing disorder in the subways is not the only cause: Drugs, the increase in crime "upstairs," and disorder on the streets surely are part of the explanation. Yet disorder plays an important role, and subway riders (and would-be riders) by their comments and their behavior show they regard it as a major problem. Operation Enforcement confronted that problem of disorder head on and immediately ran head on into powerful opposition.

In the wake of a sustained rise in disorder, much of it caused by vagrants, serious crime is increasing

The First Skirmish—Graffiti

Some years before Operation Enforcement was launched, the subway fought a preliminary skirmish with disorder, a skirmish important because it validated important parts of the Broken Windows thesis, because it demonstrated that disorder can be conquered, and because it taught us a great deal about how to fight disorder on a broader front.

The first skirmish dealt with physical disorder: graffiti on trains. By the early 1980s, graffitists' logos, slogans, and portraits—"tags"—covered every car. The magnitude of damage is hard to describe to those who have never seen it. For apologists such as Norman Mailer, graffiti was a vibrant art form hardly deserving police action. Many, even those who did not share Mailer's taste in art, believed that police had more important matters with which to deal than vandalism.

Nathan Glazer, however, in his 1979 *Public Interest* article, "On Subway Graffiti in New York," understood its meaning to the riding public. Graffitists, other disorderly persons, and criminals "who rob, rape, assault, and murder passengers . . . are part of one world of uncontrollable predators." Graffiti signaled citizens that public officials were unable to stop even relatively minor lawbreakers, let alone serious predators: Graffiti told citizens the subways were out of control.

At the time of Glazer's article, six years of efforts launched by Mayors Lindsay and Koch had gone into eradicating graffiti—to no avail. Glazer himself feared that it might be an insoluble problem. Subway graffiti appeared to be a permanent part of New York's culture. Detaining graffitists and making them clean cars failed: It was too expensive and gave graffitists inside information that helped them make their cre-

ations more lasting. Parking trains in "target-hardened" locations failed because the areas to be secured were too large and it was too easy for the youths to cut through fences. The media kept the city from using attack dogs to protect trains. Arrests of graffiti vandals increased yearly, with no impact. Police urged social and group work for the graffitists; it did not work.

Nevertheless, on May 12, 1989, almost exactly five years after the MTA launched its Clean Car Program, the last graffiti-covered car in the New York City subway system was removed from service. New York City subway trains are now among the cleanest in the world.

The Clean Car Program started by pulling graffiti-covered trains out of service, cleaning the cars, and sending them back out on the road. Police were assigned to ride full-time on the first clean trains, and clean trains went into special protection yards. But the program went further; it guaranteed that the first "broken window" would not lay untended and lead to the next. Once a train was entered into the program and cleaned, it would never again be used while graffiti was on it. If a train was tagged by a graffitist, either it would be cleaned within two hours, or it would be removed from service. As a result, graffitists would never see their tags on clean trains again. They might be able to paint their tags over other graffiti on cars that were not yet entered into the program, but not on clean cars.

Why did this effort succeed while all others failed? First, because David Gunn, president of the NYCTA, found graffiti intolerable and made removing it his earliest and highest priority. Second, it succeeded because it attacked the basic motives of graffitists. They want their work seen. Frustrate that motive by never letting tagged train cars on the road and graffiti will be defeated.

Officials knew they were winning when graffitists who managed to penetrate yards tagged graffiti-covered cars rather than clean ones. Graffitists were learning the rules, rules which I believe had some moral force over and above the "incentive" effect of never letting the graffitists show their work. A clean train is a clear sign that the rules forbid graffiti and the rules are being enforced. A graffiti-covered train signals that the rules against graffiti are not very serious, that the "custom of the country" allows for tagging trains.

Officials knew they were winning when graffitists repainted graffiti-covered cars rather than tag clean ones

Early efforts to deal with graffiti assumed it was a law enforcement problem, so it was natural that the police deal with it. They did. They arrested graffitists—again and again. More trains got tagged, even as arrests increased. Meanwhile, other departments conducted "business as usual." Gunn changed this. He understood that the graffiti problem was a complex mix of vandalism, poor maintenance, inadequate leadership, and lack of resolve. Through his close oversight of an interdepartmental task force charged with yearly goals—goals they exceeded every year—graffiti on trains was wiped out.

Street People in the Subway

Most disorder is more complicated than graffiti. Graffiti is tangible and the law proscribes it. In most cases, however, disorder is an ambiguous concept that refers to

"improper" behavior at specific times and places: being conspicuously drunk; pushing and shoving in restricted spaces; "hanging out" and drinking on street corners; standing around, scantily clad, on residential streets soliciting johns; allowing one's boom box to get out of control. Usually such disorderly behavior, while offensive, is not illegal or not seriously so. For the most part disorder is not defined by the law books but by people who "know it when they see it."

In cities like New York, with its rich stew of racial and ethnic ingredients, establishing a standard of order is an especially tricky business. "Proper" and "improper" may be hard to define: Each group has some unique beliefs about decency and indecency. Still, most people behave with restraint and neither easily give nor take offense. Strangers look for clues to neighborhood standards. In countless ways, citizens learn the "rules of the street" and abide by them. In this way diversity becomes a cherished value of cosmopolitan life.

When individuals do break these informal rules, more formal processes are invoked. Bus drivers reprimand and perhaps ask noisy persons to leave the bus. Ushers hush talking theatergoers. Restaurant owners, shopkeepers, security personnel, etc., all exert control. Sometimes, of course, the police get involved. A police officer notices behavior that is out of place, and with a nod, gesture, or brief comment communicates disapproval. Other times officers are called by citizens when a miscreant refuses to behave. But in either case, the officer's action is different from the actions of the disapproving citizen or shopkeeper: The officer is the last resort. To use Brandeis University Professor Egon Bittner's phrase, the officer is the "or else" of society. If someone will not behave, police officers can force compliance.

These forms of control generally work. But often if the first disorderly act or person is ignored—the first drunk down is ignored, the first obstreperous youth not restrained—it is soon followed by another, and another. Thus begins what Northwestern University Professor Wesley Skogan has called "the downward spiral of urban decay." One drunk or overbearing youth may not be very fearsome. But a threshold is reached (and it differs from neighborhood to neighborhood and city to city) at which citizens lose confidence that a reproach will matter. Intimidated by the apparent change in the rules, or even fearful of retaliation, they stop playing their part in maintaining order. In the worst of situations, citizens fear even calling the police.

Such situations become worse still when miscreants define their actions as expressions of their rights and their cause is taken up by social and legal advocates. Herein lies the problem in New York's subway. The indigents hanging out, living, begging, urinating, vomiting, threatening and screaming at passersby are the single biggest obstacle to restoring public order and public confidence underground. Yet in the name of civil rights and compassion, advocacy groups oppose the transit system's offers to restore order, and defend these people's rights to continue their disruptive behavior.

Transit authority officials estimate, probably conservatively, that 600 to 900 persons nightly use trains as shelter. A like number use subway stations and passageways. It has become common practice to refer to this population as the "homeless." Many are. They are, however, a particularly troubled and troublesome distillate of the homeless population. Rita Schwartz describes them in her study, *The Homeless: The Impact on the Transportation Industry*, published by the Port Authority.

> Homeless people who congregate at transportation centers are: younger males, men-

tally ill women, older male alcoholics. They are hard-core street people. Families are rarely found in transportation centers. Those who inhabit these facilities are disaffiliated, without reliable family ties and rootless. Their last known address is usually the city where they are now homeless. They are long-term residents of their city. They are more chronically homeless, and often have behavior which prohibits their use of shelters, except for specific activities such as a place for a meal or a shower.

According to MTA estimates, at least 40 percent of those using the subway for shelter are mentally ill, approximately 70 percent are substance abusers, and a substantial proportion are both mentally ill and substance abusers. Many of those who hang out in the subway have lengthy histories of arrest for minor and serious crimes.

At least 40 percent of those using the subway for shelter are mentally ill, 70 percent are substance abusers

Moreover, large numbers of hustlers and thugs mix with street people. They exploit the concern of citizens for the genuinely homeless by panhandling and hustling in intimidating or even threatening ways. They also rob and steal, making capital of the chaos created by large numbers of incapacitated and emotionally disturbed persons.

Under the cover of this chaos, and in an atmosphere of growing disorder, petty criminality began to flourish till it threatened to cripple the system. Fare beating became more common and soon turned into a full-fledged scam. Opportunistic hustlers graduated from jumping over or "backcocking" turnstiles to "coin sucking" (blocking the token receptacle and sucking out a deposited token); and, most outrageously, to disabling token receptacles, holding open gates, and collecting fares from passengers herded into the scam. During rush hours this latter maneuver can result in bedlam, with angry, yelling, pushing passengers backed up clear into the street.

Some youths attacked the token receptacles themselves, having learned how to quickly spring open the door of the receptacle and get away with hundreds or thousands of tokens in a matter of seconds. (Vaults on the turnstiles finally stopped this.) The various fare scams and thefts cost the city from $60 to $120 million a year, not to mention the indignation, demoralization, and just plain fear of many citizens. As the chaos worsened, so did serious crimes. Robberies of passengers have soared in the past few years.

In early 1989, passenger surveys and focus groups fairly shouted that enough was enough. Though still concerned for the homeless, passengers were finding the behavior of street people in the subway intolerable. Passengers believed that transit and police officials were losing control of the subway, and that the system had started on that spiral of decline city dwellers have learned to dread. The first step on that spiral was the spread of disorder. In New York, in the subways, in the late 1980s and early 1990s, subway vagrants are one of the most important sources of disorder. To restore order on the subway we must get that problem under control.

Operation Enforcement

The people who run the subways are as concerned as most New Yorkers about

the condition of the homeless. Their early efforts to deal with the problem reflected that concern and reflected as well the common view of the homeless: They were victims of public neglect in need of services, such as jobs, treatment, and temporary shelter. Consequently, transit efforts concentrated on linking the homeless who frequented the subways with outreach workers and social services. The transit police department created a 15-person police Homeless Task Force to escort social service workers to the places inhabited by the homeless. The impact of these efforts was negligible, largely because the transit system's assumptions about the "homeless" were wrong.

The vast majority of those hanging out in the subway—upward of 90 percent—rejected shelters. Their usual excuse for doing so was that the subway is safer than the shelters, a claim picked up by the homeless advocacy groups as well. The facts say otherwise. An average of six homeless persons a month died of preventable causes in the subway during 1989, with the worst month being December, when 14 died. On one December weekend alone, four vagrants died in the subway: One was hit by a train; a second was killed by another homeless person; and two died of hypothermia. Although data about crime in shelters have not been made available by HRA, I doubt that six people a month have died in them from preventable causes.

In reality the safety argument is a code for quite different complaints. For the homeless themselves it indicates their desire to avoid places with rules and be left alone to do as they please in the subway. As Rita Schwartz has observed:

> Homeless people often claim that shelters are unsafe and that the street is preferable to staying in a shelter. In reality, it appears that many do not or cannot use a shelter because they do not want to obey the rules and are inconvenienced or uncomfortable with the constraints placed on them by a facility.

When the safety argument is used by homeless advocates it is a political code for their judgment that the shelters are far less good than they should be. I am willing to believe that city shelters need upgrading. But I am not willing to have the subways—or the homeless who live in them—held hostage on this issue. When people are dying in the subway, it hardly seems appropriate to use a political slogan to justify keeping them there.

On one December weekend four vagrants died in the subway

As the problem of vagrancy worsened, new proposals for dealing with it began to surface in the transit bureaucracy. In the spring of 1989, MTA Chairman Robert Kiley asked me to review one such proposal, which Dean Esserman, legal counsel of the Transit Police Department, skeptically dubbed "Commando Cleaning": Large cleaning crews would move into an area, hose it down, and aggressively clean it; police would eject the street people in support of these activities; maintenance crews would truck away whatever debris was left.

I opposed the plan. I imagined the media splash: high-power hoses; police ejecting wet persons who had lost whatever property they had; advocates challenging police; and who knows what other mayhem if things really got out of control. Contrary to the Commando Cleaning concept, which came down to little more than sneaky harassment of certain people, I believed that

any plan for dealing with vagrancy in the subway should be targeted on misbehavior, not on a class of people. Moreover, the tactics employed should reflect values of which officers could be proud and which they could communicate to the public. Finally the plan should employ good, professional police practices, rather than "dirty work" done on the sly, against which good cops inevitably rebel.

(In the summer of 1990, the Port Authority tried its own version of Commando Cleaning, with predictable results. The people charged with hosing down the homeless hated the job, the press jumped all over them, and the program soon collapsed.)

In April 1989, in response to my objections and concerns, David Gunn, president of the NYCTA, established a Police Study Group consisting of transit police of various ranks, police legal counsel, and a consultant (me) to develop a plan.

One problem we faced was that the Transit Police Department had been in limbo for some time. Since the early 1980s, efforts had been afoot to merge it with NYPD. Transit police officers were recruited and trained by NYPD and then assigned to transit by chance, a deeply resented assignment for almost all new officers. Not surprisingly, in almost every respect the Transit Police Department (TPD) aped NYPD and largely failed to develop its own traditions and esprit. Morale was low. Equipment, especially radios and vehicles, was obsolete. There were no serious plans for its improvement, adding to officer resentment. District facilities were impossible. Mobilizing the TPD to take on a problem as pervasive and serious as disorder in the subways would be a major undertaking.

Moreover, quite aside from the particular difficulties of the transit police, it is difficult to mobilize any contemporary police department against disorder. For a number of reasons police administrators and officers alike are wary of such campaigns. In the first place, in a world in which almost all forms of behavior and expression are seen as a matter of individual rights or lifestyle—including drunkenness, craziness, lewdness, and intimidation—the idea of enforcing civility, that is the assertion of communal rights and of citizens' obligations to each other, appears quaintly Victorian. It can also put cops on a short road to confrontations with the courts and professional civil libertarians.

It is difficult to mobilize any contemporary police department against disorder

Moreover, police administrators and their bosses in municipal government are deeply aware that the complaints of the civil libertarians have often been valid; police have abused their authority in the past, enforcing order with but little respect for law. As Wilson and I noted in our article, "Broken Windows":

> [T]he police in this earlier period assisted in . . . reassertion of authority by acting, sometimes violently, on behalf of the community. Young toughs were roughed up, people were arrested "on suspicion" or for vagrancy, and prostitutes and petty thieves were routed. "Rights" were something enjoyed by decent folk, and perhaps also by the serious professional criminal, who avoided violence and could afford a lawyer.

Rather than tempt their members to commit such abuses, police organizations have tended to ignore problems of disorder.

They have concentrated instead on "law enforcement": enforcement of criminal laws against murder and assault, rape, robbery, and burglary. Transit police tend to be especially vehement about this. Having been for so long perceived as inferior to street cops, they want to do "real" police work. They prefer to focus on crimes in progress rather than on the apparently more mundane task of maintaining order so that crime does not break out, or on positively distasteful tasks such as moving drunks and derelicts out of public places.

Yet despite the police focus on serious crime, citizens take problems of disorder seriously. They do call on police to deal with those problems, and in the process cops learn that maintaining order can be difficult, frustrating, and legally perilous. Officers educate, give information, negotiate, cajole, warn, give advice, counsel, and exhort. Rarely do they resort to any "or else." They take most such actions on their own initiative. The officers learn that there are risks if citizens complain, that their authority for dealing with disorder is often very thin, and that no official credit will accrue to their records for such work.

Police in the subway have one advantage. Proper public behavior is codified in written rules

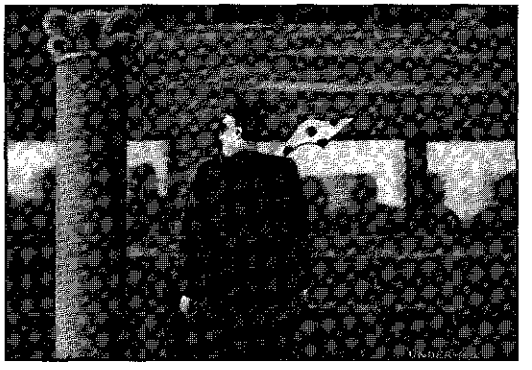
Yet though the TPD was a demoralized department about to take on a task most officers find even more demoralizing, we also had some things going for us. Police in the subway have one important advantage over their cousins on the street. Proper behavior for the subway is codified in written rules with the force of law. Such rules are required by the inherent dangers in an electrified, high-speed train system, the volume of people who use it, and the fact that people pay to use it. Thus smoking, panhandling, obstructing, lying down, use of amplification devices, unregulated selling, and a variety of other behaviors are officially proscribed. And while selling newspapers and playing musical instruments are allowed in specified areas, nothing "goes" on the trains. There was a set of rules to be enforced and their enforcement could be a powerful tool in restoring order.

This had occurred to some leaders in the department already. Richard Gollinge, a district captain assigned to the Police Study Group, for some time had aggressively championed keeping order by enforcing the rules. Gollinge was unabashedly a Broken Windows advocate. In his district he already had rule enforcement policies in effect that incorporated the essential principles on which I wanted to base Operation Enforcement: They focused on behavior, not a class of people; they had a rationale that was ethically and constitutionally defensible; and they shifted responsibility for order from special units to patrol. (Since William Bratton has become chief of the TPD, Gollinge has been promoted to one-star chief, the first time a captain jumped three ranks in the history of the Police Department.)

I was adamant that any TPD effort must have a clear, defensible, and public rationale. Only if subway officials clearly articulated and promoted their view of propriety could they avoid being cast as abusive and insensitive. Similarly, line officers from the Police Study Group wanted to ensure that their colleagues were not left holding the bag if troubles developed when they enforced rules. They wanted strong endorsement of rule enforcement efforts by

Kiley and Gunn, explicit instructions to line officers, and they wanted the rules of behavior posted throughout the system.

The rationale articulated for Operation Enforcement was obvious enough: Those who hang out in the subway put themselves, other passengers, and the system as a whole at risk. The risks for the homeless include injury, illness, and death. The risks for passengers include fear, victimization, and the potential of health problems. And finally, disorder undermines not only the subway but the quality of life and the economic vitality of New York City, which is uniquely dependent among American cities on underground transit.



As for official support and clear orders, Kiley and Gunn strongly endorsed the plan, and TPD officers got specific instructions on how the program would work. Captain Dennis O'Keefe (now Inspector) and his staff from the training academy developed an escalating response system: First offer services, then educate, warn, eject, cite, and if all else fails, arrest. Officers were always to use the least intrusive method of rule enforcement. These escalatory responses became the heart of a series of video training vignettes that presented rule violations and the application of the escalated response system.

Most significantly, the officers won the point that subway rules and regulations would be conspicuously posted. Posters listing the rules would show that officers were not acting capriciously or arbitrarily. Posting rules raised complex issues, however. A crucial question confronting the Operation Enforcement planners, one debated yet today, was whether the new campaign for order should be widely publicized. Everyone involved in Operation Enforcement knew that it would take time, at least five years, to firmly establish order in the subway. Some opposed a broad public marketing campaign for fear that the public would expect too much too soon, and when disappointed dismiss the program as a failure. As it turned out, this was not an unrealistic fear.

Ultimately, transit authority officials, led by staff of the MTA, made the decision to be "out front" about the campaign, the rules it would enforce, and the philosophy and tactics underlying the program. The MTA not only posted the rules and other advertising materials in the subways, but passed out millions of handouts explaining the rules. The campaign also included newspaper ads, meetings with consumer groups, op-ed pieces, and appearances on radio and television shows by transit leaders and spokesmen for the campaign.

Battle Is Joined

Operation Enforcement was launched on October 25, 1989 and the confrontations between police and NYCTA authorities and the homeless advocates began immediately. The advocates objected to the operation on the grounds that "nooks and crannies" should be available for the homeless to do as they pleased, that is, to live in, and that passive panhandling should be allowed.

Almost nightly, advocates confronted the police in the subway as the officers tried to enforce the posted rules. Protests were generally arranged for late hours, 2:00 A.M.

for example. Homeless advocates and New York Civil Liberties Union (NYCLU) officials would appear in a station in which many street people were congregated. Often, the head of the NYCLU was there, as were the media. Some district commanders, especially Gollinge, also made it their business to show up.

Generally, the confrontations followed a pattern. In the presence of advocates, a person violated the "obstructing" rule (by lying down). Officers offered to find shelter and indicated that the person was violating the rules and would have to stop. Advocates, often civil rights lawyers, disputed the validity of the rule, the officer's interpretation of the rule, and the right of the officer to intervene. Legal counsel for the TPD was often present. Fortunately, officers consistently reacted with patience and restraint, and no major incident occurred.

Despite these incidents the program got off to a solid start, helped at first by unseasonably warm weather, which usually reduces the number of vagrants in the system. Even after the weather turned unseasonably cold, transit authority counts of people using the subway for shelter and other disorderly incidents declined from the previous years. The posters, though essential to the program in the view of many, including myself, did cause just the problem that we had feared: The operation achieved immediate visibility and raised expectations that could not possibly be fulfilled in a matter of months. Some MTA officials began calling the program a failure by December, and the press was not far behind, with the *New York Times* reporting on our "perceived failure" by January.

Judge Sand did not help. Though his decision was overturned within weeks, momentum counts for much in a program like Operation Enforcement, and he cost us some of that. Also, because of Sand, the posters that included the "no begging" rule had to be taken down, probably causing many riders to think the program was over. It was not and is not, but the publicity campaign was essentially dropped and the Operation Enforcement name is no longer used.

There were other stumbling blocks. The media representation of our efforts was generally fair, but the advocates hit us hard, especially on the talk shows, accusing the MTA of heartlessness and racism, and the cops of brutality. The police union opposed the operation on the grounds that the police should concentrate on serious crime. The work itself was discouraging for officers. The vagrants would break rules and be ejected, only to reappear a few minutes later.

Nevertheless, about 50 percent of the officers seemed to try to live up to the spirit of the operation. This may seem like a low number, but for those with experience in such operations it was gratifyingly high. The officers, it must be remembered, were being asked to change fundamentally their professional practices, the goals of their work, and even their self-images. That is a tall order, especially when the goal is so daunting. The police response, more than anything, persuaded us that with constant and persistent effort the program could work and order could be restored to the subways.

In the spring of 1990, Operation Enforcement, as a demonstration project, went out of business, but only because the new chief of TPD, William Bratton, a staunch Broken Windows man, incorporated the goals and methods of the operation into the regular procedures of TPD. Bratton has established three top priorities for his officers: Stop the subway robberies, control fare beating, and restore order to the subway. The goal of "taking back the subway," i.e., restoring order and enforcing the rules, is likely to be a major theme in the MTA's new advertising campaign. And as winter sets in and the vagrants converge on the system, enforcement efforts will become more visible.

As that happens, there is every reason to believe that the conflict over proper use of the subway will heat up again. The MTA, NYCTA, and TPD have no intention of backing down in their attempts to take back the subways. The city government has done little to substantially improve the capacity or quality of city shelters. The conundrums of what is called homelessness are so difficult that many people would be pleased if the problem stayed "underground." We still hear irresponsible proposals to turn the subway itself into a shelter by setting up temporary showers and food lines in the system. This idea is nearly as dangerous to the vagrants as it would be to passengers and the system itself. The vagrants, with all their personal pathologies and behavioral problems, refuse help, shatter order, threaten passengers, and create a breeding ground for crime and, as we now suspect, diseases such as tuberculosis.

There is no reason to think that homeless advocates and civil libertarians will become any less strident in this conflict over not only the rules, but the very purpose of the subway. The advocates make lofty claims for the rights of their clients. The truth is the vagrants want to live without rules. And the advocates want the homeless to be in the subways and highly visible to the public, so as to make a political statement about the quality of shelters. Some homeless advocates have actually tried to persuade vagrants who have voluntarily boarded a bus to a shelter to disembark and stay in the subway.

How can the subway vagrants and other homeless people with personal problems be helped? I do not know. I do not believe that anyone really does. But I do know that their interests are not served by allowing them to turn the subway into a flophouse.

The policies of the Police Study Group and Operation Enforcement are now part of the ethos of the current police administration. They are simple policies. They assume that everyone has the right to use the subway for transportation. Those who use a public facility, however, obligate themselves to the common good and bind themselves to the rules of civility. Minimally, they are obliged to obey laws and regulations. Passenger safety and security require this; passenger comfort and quality transportation commend it.

When individuals fail to meet their minimal obligations they should be informed of those obligations, warned if their bad behavior persists, and ejected if they refuse to behave. The police must do these things respectfully. But this is not a game: Lie down, be informed, sit up until the police leave, and then lie down again. When it is obvious that someone knows the rules and is violating them, he should be immediately ejected. In good faith, police should offer to find services for the genuinely homeless.

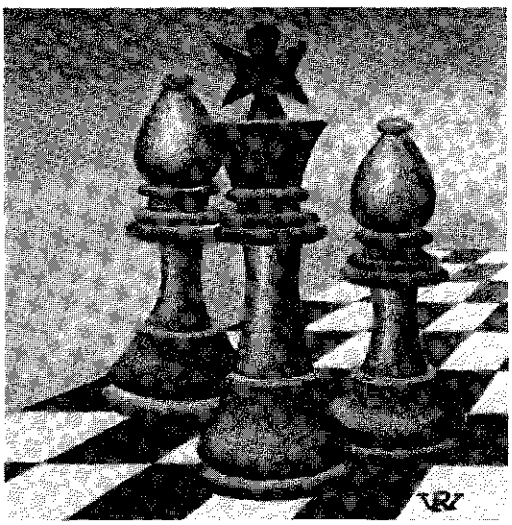
In other words, police should restore order to the subway. Those who trivialize the issue by suggesting that police are too busy and ought to be "catching criminals" simply do not know what they are talking about. Of course criminals should be caught, but catching the criminal who has just assaulted and robbed a passenger is of scant solace to the passenger. For that reason the basic function of police has always been to prevent crime. A primary means of doing so is by maintaining order.

If disorder is allowed to flourish, the subway system will inevitably decay, even in the face of the billions spent in recent years to restore it. Service will erode. The well-to-do will find alternatives, not just in the form of cabs and limousines, but by abandoning the city. The ultimate victims will be the working classes and the poor—bereft of options, but then even more vulnerable to the predations of hoodlums and thugs. ■

Prisoners of Race

by Jim Sleeper

It was only a straw in the wind of racial discord listing through the city that winter of 1987, following the previous December's outrage at Howard Beach—a shift so subtle in the tone of a friendship that even an observant third party might not have noticed it. Yet what happened unsettled me, and as other straws blew by in a gathering storm, I pondered it in a deepening disquiet.



Dan (I have changed his name) was a black teacher, 49 years old in 1987, thoughtful, tweedy, comfortably established with his wife and children in an integrated middle-class Brooklyn neighborhood. A sometime journalist, he moved easily across the broad spectrum of black politics and activism in New York and through white reform Democratic circles as well. Dan had been a source of good counsel to me ever since I'd met him in the late 1970s while running *The North Brooklyn Mercury*. His wry sanity about the vagaries of black community politics was all the more welcome because he was as unsparing in his witty criticisms of demagogues and hustlers there as he was in skewering hypocritical white officials. He held everyone, black and white, to a single standard. Or so it had seemed, until I called him one day to talk about Howard Beach.

I thought Dan would help me understand what had gone wrong with black protests and legal maneuvering over the brutal assaults. Political activists have often used exemplary criminal cases to heighten their followers' awareness of broader social injustice. But I was sure Dan would agree that the Howard Beach victims' attorneys, Alton Maddox Jr. and C. Vernon Mason, were pursuing that goal in an unusually dangerous way. The lawyers might well be right to withhold their clients' cooperation from the authorities in order to compel Governor Cuomo to replace the Queens district attorney with a special prosecutor. But surely they were

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Jim Sleeper is a member of the editorial board of New York Newsday. *This article is excerpted from* The Closest of Strangers: Liberalism and the Politics of Race in New York, *recently published by W. W. Norton & Co.*

wrong to try to justify that noncooperation by vilifying Dominick Blum, the motorist whose car had struck Michael Griffith, as a racist accomplice.

Blum was an amateur actor, a decent young guy of 24 who, on his way home that night after watching a play at Brooklyn College, had just dropped off a black fellow actor with whom he'd shared a stage in *Raisin in the Sun*. After colliding with what he claimed to have thought was a tire or an animal, he'd left the scene of the accident. But then, after consulting with his father, he'd returned—how many would?—and had tearfully offered to waive immunity and testify to establish his innocence of the charges Maddox and Mason were heaping upon him. Blum was no hero, but that was just the point; in his very ordinariness he seemed to me to exemplify those fair-minded, working-class, white New Yorkers whom any movement for racial justice would have to embrace, not enrage.

Yet, as evidence of Blum's innocence had begun to mount, Maddox and Mason had kept shifting their story; maybe he had not started out as an accomplice, but driving by, he had witnessed the chase and joined in it by car; if not that, then Blum had simply seen a black man running across a highway, and figuring he could get away with it, decided to hit him. That the authorities would not arrest him was reason to withhold all cooperation. In the court of public opinion, meanwhile, Maddox and Mason were contemptuously writing off essentially fair-minded New Yorkers who identified with Blum.

I called Dan to ask why so many black ministers and civil-rights-movement veterans had gone along with Maddox and Mason. As I listed my concerns over the phone, he began a series of long, low chuckles that kept punctuating my comments and, finally, my silence. Dan's heavy, humorless laughter told me that while he could not deny the dishonesty of the black attorneys and their supporters, he was enjoying their strategy because it was winning. "This isn't about fairness and intellectual integrity," he said, finally; "it's about power—and, sure, maybe it's the same, morally bankrupt power whites have held over us through institutions like the Queens courts for years. When was the last time the 'fair-mindedness' of white folks in Queens ever got us justice?"

Maddox and Mason had been "naughty," he continued, but they'd "gotten the system over a barrel." Governor Cuomo and the State Legislature had refused to create a special prosecutor for race-related cases even after the 1983 death of graffiti-writer Michael Stewart in police custody went unpunished. Now they had had to respond. The lawyers' victory, compromised and polarizing though it might be, overrode its flaws.

But did it? Only, I countered, if you are narrowly focused on the legal victory without caring about the political coalition-building that must sustain such victories over time. There had been no organized white opposition to a special prosecutor. Now, however, the lawyers' dishonest strategy had turned white acquiescence into resentment.

What I learned that moment on the phone was that Dan no longer much cared. Something had snapped in him at Howard Beach. Tribal truth counted for more than interracial consensus, which can be won only by upholding standards of personal accountability, public honesty, and trust. For the time being, at least, Dan found it more satisfying to hurt than to hope.

Dan was by no means alone. The city's two black weeklies went full tilt in support of the lawyers; the chief reporter covering Howard Beach for the *Amsterdam News*, Peter Noel, doubled as a kind of press secretary for Maddox, rebuffing all requests for interviews from the "white" press by lec-

turing us white writers on our sins. Though the polls showed many blacks doubted the Maddox-Mason approach, few black organizations or leaders openly challenged the lawyers' strategy.

In Howard Beach, the practitioners of the politics of paroxysm preferred to convict not only the thugs who murdered Michael Griffith but also Blum and to indict all whites as accomplices. Mirroring victimized whites' often indiscriminate rage at young blacks, they ratcheted up the cycle of racial recriminations, at special cost to blacks like Dan and to all of liberal society. Casting every tragedy or disappointment in terms of white racism leaves blacks the victims not only of whites but also of one another.

Casting every disappointment in terms of white racism leaves blacks the victims of not only whites but of one another

Race and Personal Dignity

Racism of any kind is intolerable in liberal social thought because every victim of racism is presumed to have a personal dignity that runs deeper than color—deeper, even, than any culture bounded by color. Liberals believe that ultimately it is not within the oppressor's power to grant dignity or take it away. Even in oppression, individuals can make choices, and dignity that runs deeper than color carries with it a personal responsibility that transcends color. When a victim of racism responds intelligently, he reaffirms his dignity in the very act of choosing.

These truths about moral responsibility in adversity animated the civil rights movement in its confrontations with a rigid, monolithic racism. As historian Christopher Lasch has observed:

> It would have been impossible for [Martin Luther] King to mount any moral attack on segregation if he had taken the position that black people, by virtue of their special history, had developed a special set of moral principles that whites could not appreciate. . . .The genius of the civil rights movement lay in its insistence that a resort to coercion was by no means inconsistent with an appeal to moral principles that both sides in the conflict could be made to acknowledge. . . . It was not rejection of violence as such but the rejection of resentment . . . that enabled the civil rights movement to speak from a position of overwhelming moral authority.

Today that moral authority is all too often squandered by those who prefer the visceral satisfactions of demonizing white society to the hard work of building coalitions of goodwill.

A Separate Reality

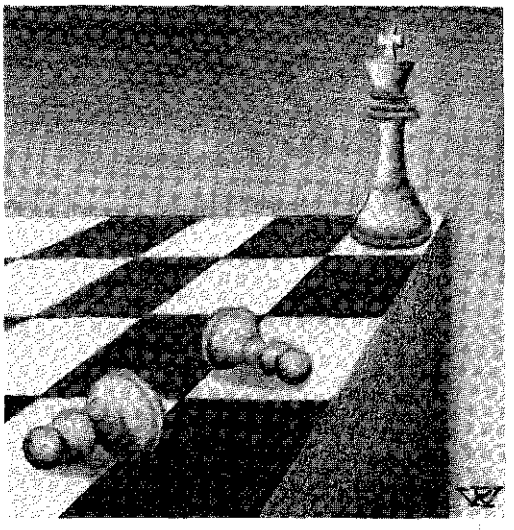
The scene was a conference on drugs in Manhattan late in 1989. A white friend of mine found himself in an otherwise all-black workshop of half a dozen middle-class educators and social workers. The small discussion group quickly developed a horrific, if by now familiar, picture of drug wars in low-income, African-American and Hispanic neighborhoods. More shocking than that picture, though, was the group's interpretation of it. Everyone present embraced the view that the drug wars are the unfolding of a white, genocidal conspiracy against blacks.

Everyone, that is, but my friend. An historian, he knew that conspiracy theories had raced around the black community for years, at least since heroin's rise in the 1950s. Still, he was surprised to see the con-

spiracy idea enunciated with such certainty by professionals who, if truth be told, were doing reasonably well in this supposedly genocidal society.

He spoke up. The idea is preposterous, he ventured, a paranoid and utterly self-destructive delusion. What kind of white conspiracy would let drug enforcement agents and police officers, white as well as black, die trying to protect African-American witnesses to drug crimes and the African-American residents of apartment buildings where officers went to make undercover buys?

"Why haven't you gotten the message of 'Miami Vice' and 'Crime Story'?" snapped a younger man in a three-piece suit, the director of a black community-based social service agency. "Sure, for the sake of appearances, low-level law enforcement is hung out to dry—make that 'to die'—by superiors in Washington who are in cahoots with the international cartels. There's just too much money to be made." This conspiracy was as lucrative as it was genocidal.



At that, my friend threw up his hands. "Okay, you're right! Whites got together in secret and decided to funnel this stuff in. And their racist, genocidal plan is moving like clockwork. Now what?"

A silence ensued. My friend continued. In a society where whites outnumber blacks nine to one and armed uprising is impossible, there is only one answer to the drug question, he said, and those of us who reject conservative ideology can't help the fact that it was Nancy Reagan who first put that answer into three simple words. The only conceivable answer is that the black community will have to stop drug dealing and drug using on its own.

Now it was the group's turn to explode. The "community" in drug-ravaged areas is already too fragmented, too terrorized, too addicted, too desperate to pull itself together and "stop" anything, they said. The conspiracy has done too much damage already.

My friend was implacable. "Your alternative?" he pressed them. "Go quietly, like the Jews?"

"No," growled one man through clenched teeth. "We'll go like the Muslims, and we may take a few Jews with us."

Never mind that in citing the Muslims the speaker had undermined his own argument that blacks could do nothing, or that he'd whisked Jews from victimhood to villainy in the twinkling of an eye. Quite without intending to, by positing the white world's unrelenting hostility, these black professionals had stumbled upon some hard questions about personal and communal responsibility. My friend was saying that unless blacks' options are truly as constricted as those of concentration-camp inmates, they can rail at the heavens and develop elaborate diagrams of conspiracies, but they dare not scant community organizing that builds upon and reinforces personal accountability.

But accountability to what? Is the larger society something to keep faith with, or should one, rather, confine one's accountabil-

ity to other blacks? Do appeals to racial solidarity in the teeth of oppression invigorate or retard personal dignity and accountability?

In truth, the answers from history are mixed. As Christopher Lasch has noted, "American history seems to show that a group cannot achieve 'integration'—that is, equality—without first developing institutions which express and create a sense of its own distinctiveness." He reminds us of the black sociologist E. Franklin Frazier's observation that the black man's "primary struggle" in America "has been to acquire a culture—customs, values, and forms of expression which, transmitted from generation to generation, provide a people with a sense of its own integrity and collective identity." Only within such a culture can individual dignity be nourished. That is certainly the claim of a large community of Muslims in Brooklyn, who redeem countless drug addicts and violent criminals through faith.

The priest, he told them, had enjoyed "good food, good wine, and now he wanted some good flesh"

But can an embattled minority acquire a culture through politics, especially a politics that defines itself primarily as a struggle against the white racist devil? Those who think so defend not a culture in the classic sense but an ideology and, to my mind, a delusional system, a separate reality. Such a system's most salient characteristic is that it explains too much too easily, and when otherwise intelligent people buy into it, they can go on elaborating it forever, almost effortlessly, in response to every challenge.

Liberal individualism makes radically different demands. It holds that periodically, at each important moment of decision, the responsible person stands alone. Even within a tightly knit, disciplined community, the initiative of individuals is critical to the rejuvenation and maintenance of the community itself. That is the mystery of human dignity at this pass in the history of liberal societies, perhaps nowhere more so than in America, where countless whites as well as blacks are generations removed from any recoverable religious or ethnic community. Life in polyglot, liberal America daily reminds most of us that our dignity is not reducible to our group memberships. To recapitulate even a racist society's apparent obsession with one's blackness is not to enhance one's dignity.

Nor does it enhance one's political resources, which is why it is folly to write off in advance, as the Howard Beach attorneys had done, that stratum of whites who are willing to live by the rules of fair play. Maddox, Mason, and other black militants had fled to ever more baroque elaborations of white genocidal conspiracy, producing the styles of protest that would so alienate New Yorkers during the same period at the end of the decade. They overlooked the importance of honesty to any community that is organizing to build real power.

Psychodrama and Public Truth

The legal and political strategies of Maddox and Mason license white anger by affirming that blacks live by different rules. During the Howard Beach trials, for example, when Maddox was denouncing the criminal justice system for routinely acquitting whites who murder blacks, he managed, deftly and cynically, to win acquittal for Andre Nichols, a 19-year-old black man who confessed to killing a white priest who, Nichols claimed, had solicited him for sex. The priest, Frederick Strianese, was unarmed; Nichols had a gun. He claimed

he'd used it because the priest had used excessive force trying to detain him.

Trading heavily in the worst sort of reverse racism and homophobia, replete with imagery of the white sexual exploitation of black youth, Maddox convinced the jury to acquit Nichols. The integrated jury, members of Strianese's parish and, apparently, the assistant district attorney were all paralyzed by Maddox's lurid characterizations. Strianese, he told them, had enjoyed "good food, good wine . . . and now he wanted some good flesh."

In another celebrated case that winter, Maddox defended one of two blacks charged with slashing white model Marla Hanson, demanding an acquittal on the grounds that her own hysterical racism had caused her to mistake her assailants: "Seeing two black men, she went absolutely nuts. . . . She thought she was going to be raped" because "she had racial hang-ups," he told the jury as Hanson sat shocked, weeping in the courtroom. Maddox tried to convince the jury that she had attacked the men and precipitated the violence—that they, like Nichols, were the victims. Though he did not win this one, the message was clear: Murder and attempted murder are morally variable according to race.

Perhaps Maddox was doing what any good courtroom attorney would. But he had more on his mind than a vigorous defense of his clients. As he told Jill Nelson of the *Washington Post*, "[black juveniles] . . . are the majority of people being arrested and tried and imprisoned. Ain't nobody givin' up nothing in New York. If you want to survive here, you have to take your turf!" Maddox conceives of his cases as racial battles. He thereby sends his community the message that personal accountability is dissolved in collective grievance and entitlement. The system acquitted the murderers of Michael Stewart, the young graffiti writer who "died in police custody"? We'll acquit the murderer of the Rev. Strianese. The system smeared Jonah Perry, the Harlem honors student accused of mugging a cop? We'll smear Marla Hanson. Tit for tat. When we get control of the system, we'll turn the tables.

In every case, Maddox does not simply try to acquit the defendant; he tries to recapture the innocence that was his when he suffered a brutal beating at the hands of police in his hometown of Newnan, Georgia, in 1967. Innocence like his moved a nation. As Shelby Steele says, such innocence:

> . . . gave blacks their first real power in American life. But this formula . . . binds the victim to his victimization by linking his power to his status as a victim. And this, I'm convinced, is the tragedy of black power in America today. It is primarily a victim's power. . . . So we have a hidden investment in victimization and poverty. One sees evidence of this in the near happiness with which certain black leaders recount the horror of Howard Beach and other recent (and I think overcelebrated) instances of racial tension.

There is another way than Maddox's to reduce racism in the criminal justice system. A community can apply its electoral muscle to elect judges and district attorneys who feel a political debt as well as a moral obligation to blacks—Hynes, for example, was elected Brooklyn DA in 1989 with a strong black vote. And there are other ways than Sharpton's to organize public protests; there can be demonstrations that embarrass whites into decency by embracing them in the process of confronting them. But doing that would mean rising above victimhood to display a disarming magnanimity. Maddox isn't up to that. Every trial he casts in black and white becomes a reenactment of his own attempt to vindicate what he suffered. But one can never escape pain this way. For

while Maddox was black and innocent in Newnan, Georgia, in 1967, and the police officers who beat him were white and racist, not every black defendant is innocent, and not every white plaintiff is racist. Because Maddox cannot admit this, he cannot lead a movement for racial justice, only one for racial revenge.

The support Maddox enjoyed among militant nationalists even as these trials unfolded suggests that his kind of pain is widely shared. A year after Howard Beach there was a new "Dominick Blum," surrounded by more strategic lies: Maddox and Mason had accused Dutchess County Assistant District Attorney Steven Pagones of raping and sodomizing Tawana Brawley and had likened State Attorney General Robert Abrams to Adolf Hitler. Mason declared that Abrams has masturbated over photographs of Brawley, repeating the accusation on the air and for newspaper reporters.

To many angry blacks Sharpton's politics of resentment were irresistible

Brooklyn Assemblyman Roger Green, a young activist whose father was a veteran of the civil rights movement, publicly criticized the lawyers for the "cavalier use of words like 'racism' and 'fascism.' To equate at this point in time the Attorney General of the State of New York with a fascist dictator and . . . the system with fascism does a major disservice to all those who fought and died against that most heinous form of injustice."

Sharpton immediately charged Green with buckling to pressure from the Governor's office: "He's obviously doing the bidding of his sponsors . . . [it] shows where Roger's heart lies as an apologist for the system." The next day, State Senator Velmanette Montgomery, who represented the same area of Brooklyn as Green, announced her intention to oppose Green's reelection as chairman of the Legislature's Black and Puerto Rican Caucus, saying she thought it inappropriate for Green to have attacked "a citizen leader such as Al Sharpton" and that it was "time for a change" in the caucus leadership. A few days later she abandoned her candidacy because she did not want to "continue to project a sense of disunity," and Green was reelected. But the flare-up had been revealing, and distressing. Is this how a city moves toward justice?

Murder and Honesty

The August 27, 1989 *New York Daily News* shows a photo of the Rev. Al Sharpton and a claque of black teenagers marching in Bensonhurst to protest Yusuf Hawkins's death. But they are not really "marching." They are stumbling along, huddled together, heads bowed under the storm of hatred breaking over them, eyes wide, hanging onto one another and to Sharpton, scared out of their wits. And because Sharpton is with them, his head bowed also, his face showing that he knows what they're feeling, he is in the hearts of black people all over New York.

Yet something is wrong with this picture. Sharpton did not invite or coordinate with Bensonhurst community leaders who wanted to join the march. Without the time for organizing which these leaders should have been given in order to rein in the punks who stood waving watermelons, without an effort by black leaders more reputable than Sharpton to recruit whites citywide and swell the march, Sharpton was assured that the punks would carry the day. At several points, he even baited them by blowing kisses. Instead of mounting an unforgettable tableau of the city, Sharpton provoked a symbolic reenactment of

Hawkins's murder, in a way calculated to make it easier, not harder, for the community to embrace denial. That denial surfaced in the trial, where little people who had told cops they had seen the killing suddenly developed amnesia.

In a sense, Sharpton's strategy was brilliant. If it eclipsed one reality, it certainly exposed another. Because the city is in fact better than the reality the demonstration exposed, those moments in Bensonhurst may well have accounted for David Dinkins's stunning defeat of Koch in the Democratic mayoral primary two weeks later. But while Sharpton would take credit for that, it was far from clear that victory was what he had intended, for Dinkins was more threat than blessing to his kind of politics, the politics that finds it more satisfying to hurt than to hope.

To many angry blacks, Sharpton's politics of resentment were irresistible. At some point in the late 1970s, the politics of race in New York had begun to turn more and more on death—on recitals of the names of blacks murdered by whites: Randy Evans, Arthur Miller, Willie Turks, Samuel Spencer, Michael Stewart, Eleanor Bumpurs, Nicholas Bartlett, Jonah Perry, Michael Griffith, Yusuf Hawkins. Among blacks, it seemed, the politics of victimization had triumphed: Along with murderous white racism, it cited drugs, AIDS, and doomed boarder babies, parables of hopelessness and despair spiralling easily into projections of white genocidal conspiracy. Sharpton claimed that he and other protesters had forced the murders and plagues upon the conscience of the city. They were not wrong. But where could it lead? What real power did it build? And how, without power, could the violence and plagues be stopped?

These questions took on new urgency as another deadly roll call forced itself upon the activists' and the city's attention, this time without Sharpton's help. It was reported well enough in the mainstream press, yet this roll call was not read aloud at protests in the streets or in solemn memorials within the black community itself. It just swelled and swelled until it could not be ignored, until it eclipsed all that had gone before.

Two weeks after Hawkins's death, 13-year-old Sean Vaughn, a young, black participant in the "I Have a Dream" program, which guarantees college tuition for ghetto kids who stay in school, was gunned down in a parking lot near his home in the Soundview section of the Bronx.

A few days later, on September 11, Duane Lewis, 18, was shot in front of Brooklyn's Prospect Heights High School as scores of students watched. On Friday, October 27, Gemel Kalek Mitchell, a 19-year-old student at Julia Richman High School in Manhattan, was shot and killed by another student on a subway train after an argument in the school cafeteria. That night, a 15-year-old sophomore at Stuyvesant High School was shot in the head in a discotheque in Jackson Heights.

Early on Sunday morning, October 29, Donald White, a 17-year-old honors student at Murray Bergtraum High School for Business Careers in lower Manhattan, was shot in the head and chest by a crack addict. On Monday, October 30, Edward Caban, a Julia Richman High School student, was shot and killed in East Harlem in what was ambiguously described as a "drug-related shooting." On Friday, November 17, Melvin Smith, 24, a popular ministry student, was shot and rendered brain-dead by thieves who got $5 and his wristwatch as he was heading home from a Bedford-Stuyvesant grocery store.

On Thanksgiving Day, 14-year-old Preston Simmons, known as "Little Man," was killed, allegedly for selling drugs independently instead of through the murder suspect. On December 2, Arnulfo Williams Jr., 19, was shot and killed while trying to

shield his younger brother from bullies at a bus stop in South Jamaica. In four days beginning on December 21 there were four unrelated killings of innocent bystanders. Two of the victims were young black women in Queens, one of them 25 years old and nine months pregnant. Another victim was an 11-year-old boy.

They were all young blacks, the hope of their people, killed by other young blacks who had become the scourge of their people. There were many others. In the four months after Hawkins's death, more blacks were killed by other blacks than had been killed by whites in two years. And, in a departure from past patterns, many of the assailants and victims did not know one another. As the toll rose, most black militants, ministers, and civil rights lawyers and their white-activist apologists were as silent as the graves into which the bodies were being lowered. There were no marches. There were no speeches.

Dinkins triumphed over white hostility to his candidacy because he doggedly refused to blame everything on racism

Finally, the silence could no longer be borne. Some black rap groups had already begun to sing out against black-on-black violence when Sharpton delivered the eulogy for 14-year-old Preston Simmons in a tiny chapel inside a Bronx funeral home. According to *New York Newsday*'s William Douglas and Doug Haberman, Sharpton:

> . . . blamed Preston's death on the black community and black leaders, who he says have allowed drugs to invade and take over their neighborhoods.
>
> "I think it is now the responsibility of the community and activists to be responsible for the drug killers of our race as well as the race killers. We've lost two young men this year [sic], Preston at 14, Yusuf Hawkins at 16. One was our fault because we should have policed our community and taken a more active stand against drugs."

"This was a tragedy equal to what happened to my son in Bensonhurst," Moses Stewart [the father of Yusuf Hawkins] said. "This time, we are at fault."

Coming from men known for denouncing racism as the alpha and omega of black suffering, this new, more introspective line was surprising. The halting movement by Sharpton and others toward acknowledging black individual and communal responsibility, even amid racist adversity, has more potential to improve matters than they may realize. It frees us from the game of racial finger-pointing which whites, too, have played, using black crime to "explain" and excuse their racism. By declining to blame whites at Simmons's funeral, Sharpton and Stewart implicitly affirmed that racism is intolerable precisely because most blacks are worthy people who hold one another responsible for their actions. That deprives censorious whites of the moral advantage of condescension. The vicious spiral is broken.

Victimhood vs. Victory

"Efforts to stop the polarization in the city can't be geared totally toward race anymore," says Roger Green. "It's a point I have to argue, but folks do realize it. Sometimes we're captive to our own rhetoric, as opposed to looking at what's really happening and analyzing it. For example, after Howard Beach, I saw in the demonstrations something entirely new to me: that those white kids are a lost generation too, that there is a poverty of spirit that doesn't just come down to race."

Green's view is implicitly endorsed by the hundreds of thousands of working-class blacks and Hispanics who turned out to vote for David Dinkins, who was anathema to the militants. The practitioners of racial paroxysm claim that their demonstrations and demands have aroused blacks and shoved whites in directions that made the moderates' victories possible. In reality, their brand of racial politics has established a stereotype of public protest which the church groups and unions have had to work hard to break in their own rallies, and it surely cost David Dinkins white support that would have widened his two-point margin of victory.

What some of the militants can't quite let go of, I think, is an unconscious need for powerlessness; so long as whites have the real power, these black leaders can remain righteous victims.

Dinkins, on the other hand, triumphed over the inevitable white hostility to his candidacy because he doggedly refused to make things "black/white" and to blame everything on racism. He denounced Minister Louis Farrakhan. He condemned the Brawley advisors. He called the assailants of the Central Park jogger "urban terrorists," and when a black listener objected, he responded, "I called them that, Bill, because that's precisely what they were." Finally, he told a group of black high school students during his campaign:

> I know that we, the adults, have not done all we should, and all we must, to make this city all it can be. And I pledge to you that I will do my part as your next mayor. But I want a pledge, in turn, from you. A pledge that you will never use those obstacles and barriers as an excuse. I know that life is not always fair, that it's hard to get ahead, but your obligation is to work hard, respect the law, be disciplined and strong—and take responsibility for your actions.

Dinkins was denounced for defending "the system." But the militants have made his stance easier by staking out too despairing and vindictive an alternative.

A mural at Bedford-Stuyvesant's Slave Theater, where Sharpton holds forth at weekly rallies, depicts a young, barefoot black man crying, "I don't know who I am! Lost my name. My tribal language. My homeland. African wealth. I have nothing!" Another mural depicts a muscular, blond white man in chains, his captor a much smaller black field hand. "Sam," the white man cries, "you chained me up when I was asleep, you S.O.B.! Cut me loose or I'll charge you with white man's slavery." The field hand replies, "Shut up, Pete, you chained me up when I was asleep too. Now it's my turn. I gotcha, boy."

To which the definitive response comes from the writer Leon Wieseltier:

> The memory of oppression is a pillar and a strut of the identity of every people oppressed. It is no ordinary marker of difference. It is unusually stiffening. It instructs the individual and the group about what to expect of the world, imparts an isolating sense of apartness. . . . Don't be fooled, it teaches, there is only repetition. For that reason, the collective memory of an oppressed people is not only a treasure but a trap. . . . In the memory of oppression, oppression outlives itself. The scar does the work of the wound. That is the real tragedy: that injustice retains the power to distort long after it has ceased to be real. It is a posthumous victory for the oppressors, when pain becomes a tradition. And yet the atrocities of the past must never be forgotten. This is the unfairly difficult dilemma of the newly emancipated and the newly enfranchised: An honorable life is not possible if they remember too little, and a normal life is not possible if they remember too much. ■

Does Rent Control Help the Poor?

by Peter Salins and Gerard Mildner

One of the new hit movies of the fall season, *Pacific Heights*, is a rent-control horror film, in which Michael Keaton plays a deranged but clever tenant bent on terrorizing his yuppie landlords. No matter what he folds, spindles, or otherwise mutilates, they cannot get rid of him. The great mystery about *Pacific Heights* is not its plot, the general outlines of which are perfectly familiar to anyone experienced in the ways of rent control, but its location: It is set, for some reason, in San Francisco. This is obviously unrealistic: By all rights this movie belongs to New York City.

By now every New Yorker can reel off rent-control horror stories, and yet rent control retains its political popularity. Why? Surely not just because many influential New Yorkers are tenants paying below-market rents. The more idealistic, and seemingly more persuasive, justification for rent control over the years has been that it makes housing affordable for the poor and working class. Isn't doing right by the poor worth a few horror stories?

But the horror stories, bizarre as they may seem, are not aberrations. The most distressing and consistent reality of rent regulation is what we might call the "all the wrong people" syndrome. With almost faultless precision the rent-regulation system bypasses, or hurts, those it was meant to help, and heaps most of its benefits on relatively privileged New Yorkers. The system does not help the poor; it particularly penalizes new New Yorkers, who have always been vital to the city's economy; and it encourages landlords and tenants alike to behave in ways almost perfectly calculated to tighten the housing market still further and raise rental prices higher. There is no trade-off between horror stories and help for the poor; the help never comes and the horrors remain.

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The abiding sin of rent control is that it misallocates resources. It is a truism, for instance, that housing in New York is expensive. But the truism is not true. Housing in New York is cheap, or at least New York has lots of cheap housing, and average prices are reasonable. The problem is that the wrong people live in that cheap housing, while many others are stuck in housing they cannot really afford.

In the last year for which data are available (1987), the median price (including utilities) for apartments in New York City was $395 per month. Fewer than 29 percent of apartments in New York rented for more than $500 per month, and only 8 percent of all units rented for more than $750 per month, according to a report authored by housing expert Michael A. Stegman and published by the city's Department of Housing Preservation and Development. Nor have rents increased disproportionately in recent years. Allowing for inflation, rents in New York City are only 12 percent more expensive today than they were 15 years ago. Between 1975 and 1987, the median rent rose from $171 to $395, or 131 percent, while consumer prices in general rose 105 percent. Manhattan is the most expensive borough with a median rent of $408 and the Bronx the cheapest at $359.

So much for the good news. The bad news is that after years of rent control, rents in New York bear little relation to tenants' ability to pay.

The best test of the relationship between housing costs and ability to pay is the rent-income ratio, or the portion of a renter's income he spends on rent. New York's median 1987 rent of $395 bears a healthy relation to the median 1987 renters' household income of $16,000, yielding a rent-income ratio of .296. (Again the figures come from the city's own Stegman report.) Theoretically, then, the typical family in New York should be spending 29.6 percent of its income on rent, within the 25-30 percent range recommended by home economists and federal housing officials. However, this statistical artifact—the median price divided by the median income—would be an accurate picture of the city's housing market only if the rich were paying high rents and the poor low ones. That is not the case. The well-to-do, the great beneficiaries of rent control, mostly pay far less than 29 percent of their income for rent, while the poor are routinely confronted with rents they cannot afford.

New York has lots of cheap housing. The problem is that the wrong people live in it

The city's 1987 *Housing and Vacancy Report* examined the relationship of prices to income by dividing the renter population into ten different income classes and computing the average rent-income ratio for each class. The results clearly show that rent control has failed in its primary mission:

- The typical household in the highest income decile of renters, with a mean household income of $62,012, paid an average rent of $672 per month, or 13 percent of its income.

- A typical moderate-income renter household with a mean household income of $22,303, paid a rent of $446, or 24 percent of income.

- A typical lower-income household with a mean household income of $14,127, paid an average rent of $338, or 33 percent of income.

- A typical poverty-level household (in the second decile), with a mean income of $5,361, paid a rent of $259, or a backbreaking 58 percent of income.

In other words, while the most affluent households in New York had an average income over 12 times the poorest, they paid only two and a half times as much rent. And these averages conceal even more glaring inequities: Some affluent families devote less than 5 percent of their income to rent, and many poor ones pay more than 70 percent.

To be sure, nearly everywhere in America the rich spend a smaller percentage of their income on rent than do the poor. But nationally the disparity is somewhat smaller than it is in New York. The important point, however, is not that under rent regulation New York's poor do somewhat worse than the rest of the country, but that they were supposed to do much better. If the net result of rent regulation is to make the rental market somewhat harder on the less fortunate, and easier for the rich, why have rent control at all?

A typical poverty-level household paid a backbreaking 58 percent of its income in rent

Because rent regulation helps "all the wrong people," it dispenses its greatest benefits to Manhattanites. Only in Manhattan are regulated rents far below market levels. This is the conclusion of the most recent study to examine the geographical distribution of rent-control benefits, conducted in 1989 by Henry O. Pollakowski at Harvard's Joint Center for Housing Studies. For the city as a whole, the mean rent for all unregulated apartments was only $44, or 15 percent more than the mean rent for regulated apartments. But in Manhattan's better neighborhoods, rents for unregulated apartments ranged from $368 to $432 higher than comparable regulated rents. Excluding Manhattan, the mean rent-regulation subsidy was actually a negative $9, that is, rent-regulated apartments were, on average, entitled to rents $9 higher than the market price. The price-control "windfall" is largely a Manhattan—specifically, a Manhattan below 110th Street—phenomenon.

Manhattan, outside of its remaining slums, is largely the redoubt of the well-to-do. The average household income of the "Manhattan core" in 1987 was $35,000, while that for the rest of the city was under $20,000. Only 13 percent of Manhattan-core families were in poverty, compared to 23 percent for the rest of the city, and most of Manhattan's poor were living in pockets of inferior housing without large rent-control discounts.

Why do wealthy Manhattanites reap most of the benefits of rent regulation? To begin with, to earn the maximum benefits from New York's rent regulations, it helps to occupy an apartment for a long time (because landlords are permitted to raise rents more than usual when an apartment becomes vacant). Affluent professionals have greater job stability and can, in any case, manage to fake their continued occupancy if they move. Also, influence or good connections are helpful in the search for a desirable rent-regulated apartment. The result, as New York City developer Seymour Durst puts it, is that, "We've got plenty of low-income housing in New York. We've just got upper-income people living in it."

The Young and the Rentless

That rent control helps the rich rather than the poor is the greatest perversity of

the system, but not necessarily the one most damaging to the city's economy or its future. The vitality of New York has always depended very substantially on newcomers, not only immigrants from overseas, but talented people from around the country who are attracted to New York by its great professional opportunities. As the nation shifts to an information economy, and human capital becomes the key factor in production, it becomes ever more important to keep New York a mecca for new talent. Rent regulation, however, is almost perfectly designed to punish newcomers.

Rent regulation has kept vacancy rates low and housing scarce. So new New Yorkers have a choice between paying exorbitant rents for scarce (by national standards) unregulated apartments, or entering the frantic competition for even scarcer regulated apartments. And, as the young searchers soon learn, a controlled apartment may cost a new tenant a great deal more than the landlord gets in rent.

If the result of rent regulation is to make housing somewhat more difficult for the poor, why have rent control at all?

When Elizabeth Green*, a 24-year-old secretary, moved to New York City, she knew that living costs were high, but assumed that she could find an apartment for $500. What Elizabeth found is that in Manhattan $500 does not rent an apartment any bigger than a closet.

"When I came from Ohio," Elizabeth recounts, "I expected my costs to be double, which they basically are. So is my salary. But my rent is over three times what I had paid before." She pays $495 for her share of an apartment on East 91st Street, but for her, the cost of rent was just the beginning.

"I went to a roommate service. Their fee was $250, including a membership fee of $35 and two payments of $62.50 after they placed me. Then there was the security deposit and the first month's rent. So it cost me about $1,500 just to move in."

The situation is even worse for newcomers who aspire to apartments of their own. Available studio apartments can fetch between $600 and $900 a month; one bedrooms in safe neighborhoods go for $1,000 and up, while two bedrooms can rarely be found for under $1,500. This is far more than the cost of comparable apartments in other major U.S. cities, even such high-demand ones as San Francisco or Washington, D.C. (Prices have softened a bit in recent months, but not much, and in any event a major recession is a high price to pay for a slightly less overpriced rental market.)

There is an additional cost of finding an apartment in Manhattan: the broker's fee. Because so few apartments are available, a broker is usually needed to get up-to-date information on all but the least desirable listings. Since a broker's fee (which in some cases includes an illegal kickback to the landlord) runs about 15 percent of the first year's rent, prospective New Yorkers may have to pay another $2,000 up front.

Sublets, particularly of regulated apartments, often carry a similar cost: "key money," the additional cash fee the new tenant must pay the old tenant to do the deal. One new Manhattanite recently told us a classic story: A sublet was available on the Upper East Side for the legal limit of 10 percent above the regulated rent, or about

* Her name has been changed.

60 percent of the market price. The catch? The winning applicant would not only have to pay a year's rent in advance, but (in place of key money) would have to buy a $2,500 painting from the legal tenant, an artist.

Add in the usual security deposit of one to two months' rent and the first month's rent and moving into an apartment can easily cost a new New Yorker $5,000. Five thousand dollars is a major hurdle for many prospective (and even longtime) New Yorkers. How many young workers are eager to move to New York, with all its taxes, crime, and congestion, knowing that they will have to come up with $5,000 just to move in?

In the Warehouse

As Moscow shoppers know, the worst result of price controls is scarcity, which New York's housing market has in abundance. The best overall measure of the scarcity of housing is the vacancy rate. The official vacancy rate of New York's rental housing—as reported by the most recent city-commissioned *Housing and Vacancy Survey*—is 2.5 percent, the lowest among major U.S. cities. The average vacancy rate for all U.S. cities is 5.7 percent, according to the U.S. Commerce Department's most recent *American Housing Survey for the United States*. Chicago, so frequently compared to New York, had a vacancy rate of 7.5 percent.

The official vacancy rate does not tell the whole story. That statistic is based on the number of apartments that are vacant and available for rent. Oddly enough, despite a tight housing market, New York has just as many apartments that are vacant but *unavailable for rent*.

Why are so many unoccupied apartments kept off the rental market? Some are dilapidated or in abandoned or tax-foreclosed buildings, and hardly qualify as housing. But according to the Stegman report, a fairly large number—53,000, or 3 percent of all rental housing units—are perfectly habitable, if not downright desirable. Roughly half of these apartments are really already en route to occupancy, with executed leases or renovations in progress, and they should be counted in the available category. But the other 26,000 apartments are unavailable for two reasons: Their out-of-town tenants are holding onto them for occasional use, or their landlords are "warehousing" them, keeping them vacant for a future co-op conversion or some other deal more attractive than renting controlled apartments. (See Table 1).

If all currently unoccupied apartments were put onto the rental market, New York's vacancy rate would rise to almost the national average. In other words, much, if not most, of New York's housing crunch is caused by landlords and tenants who keep existing, unoccupied housing off the rental market.

Landlords and tenants in New York keep housing off the market because rent regulation makes it attractive to do so. Out-of-town tenants can afford to keep "pied-a-terres" only because rent control makes them so cheap. Surely the purpose of rent

TABLE 1:
Vacant Apartments in New York

Vacant and available for rent	47,500
Vacant but not for rent	50,300
Total Vacant Units	97,800

Two Measures of New York's Vacancy Rate

Rental units *(available vacancies)*	2.46%
Rental units *(all vacancies)*	5.06%

Source: Michael Stegman, *Housing and Vacancy Survey: New York City, 1987.*

control was not to provide people with country or retirement homes a comfortable New York retreat. Likewise, warehousing apartments is extremely expensive. Only the truly awful option of renting at far below market to tenants who may never leave drives landlords to the extremes of not renting their apartments at all. Once again rent control makes "all the wrong people" do "all the wrong things."

House Wrecking

In 1939, three years before rent control was introduced, Tony Nuzzo's* father managed to buy a five-story apartment building on Mott Street in Chinatown. Tony and his wife have been managing the building for his family since 1982. The rent regulated building is located in a prime location, but the Nuzzos are losing money and may have to walk away from it.

"We have 35 apartments in the building, totalling 120 rooms," he explains. "Twenty-two out of 35 apartments have rents of $100 or less per month, with the highest rent being $400 and the lowest $41.25 for a three-room apartment." Rent regulations allow a 3 percent annual increase, less than inflation in most years.

Tony works during the day as a steelworker and moonlights as a boiler repairman, in addition to working on the boiler in his own building. Tony is hardly the prototype of the greedy absentee landlord. Many of his tenants, who are by no means poor, pay only a tiny fraction of their income in rent.

"I have one tenant who's a union electrician, which means he's making at least $20 an hour. His wife and his daughter work, and his rent is 55 dollars and 19 cents. I mean, he's a nice guy and everything, but if I even try to raise his rent six cents a month, I would get such a squawk."

* The name has been changed.

There are two ways Tony can avoid losing his building and maybe even make money on it. The current tenants can move out or die, allowing Tony to raise the rents to market levels (after which they will be governed by rent stabilization), or he can take the building co-op. But most rent-controlled tenants are very slow to leave. The system thus gives Tony enormous incentives to drive his tenants out of the building by cutting services or even by active harassment. Some landlords take that course, but Tony refuses to sink to that level. Instead he has tried to buy out his tenants, but rent control gives tenants a deal Tony cannot beat.

"I offered them $20,000 each. I didn't have it, but I offered it to them. They turned me down. If they had to go find a building on the open market at $1,000 a month, that would last them less than two years. I approached them about converting to condos or co-ops. But who would give you an insider price of $40,000 when they are paying $40 or $60 a month rent? That's almost 100 years of rent. This situation is impossible."

Tony's other option, which he also resists, but which history suggests will be forced on him, is to cut corners on maintenance in the hope his bank account will outlive his tenants. Thousands of small landlords like Tony, the sort of people who for generations were the bulwark of New York's housing stock, have done exactly that: Again the wrong people forced to do the wrong thing.

As a result, New York's housing stock is in much worse shape than housing in other U.S. cities, large or small. The Federal Government's *American Housing Survey for the United States* shows that New York City comes off badly by virtually every measure of housing quality, compared with cities in general and even with Chicago, another big city with an old housing stock and an underclass population. (See Table 2.)

TABLE 2: Measures of Rental Housing Quality

Units with:	New York	Chicago	All U.S. Cities
Wall cracks & holes	22.6%	14.8%	13.2%
Broken plaster	16.7	10.0	8.0
Peeling paint	22.6	11.8	9.7
Holes in floors	9.7	5.2	4.7
Leaking roofs	14.0	9.6	9.3
Exposed wiring	5.8	3.3	3.8
Broken toilets	5.6	2.2	4.2
Broken heating	26.1	8.6	9.2

Source: U.S. Dept. of Commerce, U.S. Dept. of Housing

On every index of housing quality—all of which are related to maintenance—New York fares badly; twice as many apartments in New York have cracked walls, broken plaster, holes in the floor, and exposed wiring than other American cities. A quarter of New York apartments have broken heating systems, compared with less than 10 percent in other American cities. Even compared to Chicago, New York's rental housing is badly maintained.

The case that rent control is corroding New York's housing stock is bolstered by data for owner-occupied housing, for which the differences between New York and other cities are much less than for rental units. (See Table 3.) In fact, on three of the eight indices of owner-occupied housing, New York shows up better than the other cities. In all cities owner-occupied housing is better maintained than the rental stock, but when rent regulations are imposed the discrepancies become much larger.

The record is perfectly clear. Rent control does not help the poor; it heaps enormous benefits on those who do not need them, and worsens the lot of the vast ranks of the unlucky and the unconnected. It punishes the sort of landlords we need more of; it encourages good landlords to become bad landlords; and in the midst of a housing crunch it encourages tenants and landlords alike to hoard unoccupied apartments.

TABLE 3: Measures of Owner-Occupied Housing Quality

Units with:	New York	All U.S. Cities
Wall cracks	6.1%	3.9%
Broken plaster	3.9	.8
Peeling paint	5.2	3.3
Holes in floors	1.2	0.9
Leaking roofs	5.9	6.0
Exposed wiring	1.3	1.5
Broken toilets	1.6	2.0
Broken heating	7.5	3.8

Source: *American Housing Survey for the United States*, 1985

Rent regulation, in short, does all the wrong things to all the wrong people. Providing decent housing for the poor is a noble goal, and there are sensible ways to go about it. Rent regulation is not one of them. ■

Immigrants Rescue the Rag Trade

by Roger Waldinger

In the popular imagination, garment-making is a quaint relic of New York City's manufacturing past, fast fading into history. The reality is a pleasant surprise. The health of the industry is a vibrant indicator of the city's strengths—and a potential source of economic vitality into the 21st century, if the city plays its cards right.

New York no longer dominates garment-making the way it once did. The city started ceding market share in the 1930s, losing out first to southern and rural states, and then to foreign competitors. Since 1984, more than half of all garments sold in the United States have been made abroad.

What is intriguing is where the city has lost its hold—and where it still reigns supreme. The city does poorly in standardized garments. This market is increasingly dominated by very large apparel firms outside of New York. The large firms have been aided by the extraordinary expansion of the very largest retail chain stores, which dislike uncertainty and prefer to buy from a time-tested reliable major supplier.

Large firms often plan their production cycles with lead times of anywhere from three to 12 months. They are very sensitive to wage levels, where New York scores poorly. U.S. wages are almost four times the level of Hong Kong's, the single largest apparel exporter; and wages in Hong Kong are more than twice the average for 20 leading exporting countries. (Productivity is much higher in the high-wage countries, but not enough to outweigh the cost factor.) Large makers of standardized goods are thus content to make their products half a continent or half a world away from Seventh Avenue.

By contrast, New York has kept a thriving business in high-fashion lines: The city is still the design center of the nation, and being within schmoozing distance of Seventh Avenue is still an advantage for high-fashion manufacturers. Also, federal import quotas

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are particularly tough on fashion items. In most of the key exporting countries, goods must be ordered a year in advance to ensure that they will make the quota. Thus of the 100,000 New Yorkers still employed in the manufacture of apparel (another 52,000 work in apparel wholesaling), some 60 percent work on women's outerwear, the most fashion-driven segment of the industry.

New York's garment industry is a world of small firms. Small versatile firms cope better with changes in fashion and other last-minute shifts in the market. Clustered together in several parts of the city, where the designers and wholesalers are nearby, the New York garment industry floats in a rich sea of information, a powerful competitive advantage.

There are signs that the market for mass-produced clothing has at last reached its limits, and that the growth is going to come in more fashion-sensitive goods, New York's strong suit. The aging of the baby boomers and the proliferation of two-earner families have shifted America's buying habits upscale.

As retailers depend more on local sources to cope with late-breaking fashion and market trends, the momentum moves to the industry's spot market—sensitive to fashion changes and set up for small runs. That is just what New York's small, embattled, but flexible producers offer, which is why producers in New York's fashion-sensitive lines have held their own since the mid-1970s.

Still, New York's spot market could not have hung on nearly so well if its own labor costs had not become more competitive. Part of the reason New York has become more competitive is that growing wage costs have overtaken some of our chief competitors: Just as rising wage costs forced Japan to cede its clothing industry to Hong Kong in the 1960s, so too are rising wage costs a damper on Hong Kong's competitive edge today. But the real key to New York's revived garment industry is the arrival of the immigrants.

New York's garment industry was plagued by recurrent labor shortages after World War II. As competition intensified, relative wages fell and seasonal swings in employment got worse. The workers on whom the industry had always depended, European immigrants and their children, started leaving in droves. When the bottom fell out of the market in the 1970s, the shortage of experienced workers worsened. As the owner of one large factory in Brooklyn put it, "You can't find people: Nobody wants to work as a lay-up girl, or stand with scissors and cut threads."

Just as the exodus of old-line workers threatened to destroy the rag trade, another exodus revived it

But just as the exodus of old-line workers threatened to destroy the rag trade, another exodus from Latin America and Asia revived it. Among the new immigrants there were once again people eager to cut threads or stand over a steaming pressing machine. Thanks to the liberalization of the nation's immigration laws in 1965, New York again became an immigrant's mecca. By the 1970s, roughly 80,000 immigrants were moving to New York every year; in the 1980s, the flow ratcheted up to 90,000 per annum.

Many moved right into the needle trades, despite the difficult conditions and low pay. As one Latin American immigrant told me, "I am a poor person and I can accommodate myself with anything, no?" Informal immigrant networks helped newcomers find jobs where other immigrants were already employed: Three-quarters of

a group of Hispanic immigrants I interviewed found their first job through relatives or friends. By 1980, newcomers from the Third World made up almost half of New York's needle-trades proletariat. Without them the needle trades would be nearly gone from New York.

From immigrant ranks came the new garment capitalists as well. For most of the industry's history in New York, owners and managers had been recruited largely from the ranks of Jewish and Italian sewing-machine operators, cutters, salesmen, and patternmakers eager to move ahead. Many Jewish and Italian-owned garment factories still exist, but hardly any of these are new start-ups. Ethnic succession has created a space for new immigrant owners.

Small business offers the surest path to advancement for those with language difficulties, the wrong education, few ties to the establishment, and little capital. In the rag trade the pathway to ownership still can be negotiated by the worker starting from the factory floor. Garment-making requires relatively little expertise. Most work is done under contract. On the one side is the manufacturer or jobber, responsible for designing and marketing the merchandise. On the other side is the contractor, who produces goods to the specifications set by the manufacturer. The manufacturer purchases the raw materials and handles the complex interactions among designers, merchandisers, and suppliers. A new contractor thus need not be a business sophisticate: Even English is not always required. Usually, there are better-settled intermediaries or brokers who can connect the immigrant contractor with the manufacturer in the garment center. In any case, communication is usually stripped down to its essentials. As one manufacturer told me, "If they don't understand, you simply sit down and show them."

To get started, the immigrant entrepreneur needs only the skills that one can pick up as a worker in a shop—today's typical immigrant garment capitalist is a former presser or sewing-machine operator—and access to a reliable source of family or ethnic labor. Though the garment shop is usually too big to staff with family labor, "Relatives are a must," as one contractor who came over from Hong Kong in 1981 told me. "Whatever it is," a labor shortage, production problems that crop up because equipment is antiquated, or meeting a rush, "relatives help more than others." As for capital, a chattel mortgage secured from an equipment supplier with a few thousand dollars deposit is enough to start up the average-sized garment firm.

Small business offers the surest path for those with language difficulties, the wrong education, and little capital

Immigrant garment capitalists are particularly quick to exploit fashion changes: However uncertain these trends may be, they offer a chance to build up business. Most of these new immigrant entities fail; on average, the immigrants' failure rate is higher than that of their older ethnic competitors. But newcomers are less deterred by this high mortality rate, and their ranks have swelled.

Many immigrant groups share the credit for reviving New York's rag trade. There are over 250 Korean garment shops, mainly concentrated in the garment center and in Queens, and scores of Hispanic shops scattered throughout Washington Heights, Corona, Sunset Park, and the side streets of the garment center.

Chinatown, however, is the heart of

New York's immigrant garment industry. Though as late as the 1960s there was essentially no immigrant industry in the area, today Chinatown's 460-odd garment factories keep over 20,000 Chinese workers employed.

Between 1965 and 1967, Chinese immigration to the United States jumped from just under 5,000 to 25,000; it has since moved up sharply, with almost 40,000 Chinese newcomers arriving in 1988. This influx has largely converged on New York. As many overseas Chinese move to New York each year as to San Francisco, Los Angeles, Oakland, Honolulu, and Seattle combined, making New York's Chinese community the largest in the country.

As many overseas Chinese move to New York each year as to San Francisco, Los Angeles, Oakland, Honolulu, and Seattle combined

Economic changes led many of these newcomers into the garment industry. The old Chinese ethnic economy was rooted in restaurants, laundries, and the tourist trade. But laundries were a dying business by the time the latest immigrant wave arrived. There are only so many tourists to be attracted to Chinatown; and setting up a restaurant requires considerable skills and capital compared to a garment shop. Local real estate conditions were another incentive. The old loft buildings bordering on Chinatown had long been occupied by the machinery and printing trades. But as New York's manufacturing sector crumbled in the late 1960s and early 1970s, these loft spaces emptied out, rents tumbled, and immigrant entrepreneurs moved in.

Once in place, the industry quickly acquired a dynamic of its own. The demand for labor diverted a disproportionate share of Chinese immigrants to Chinatown. In 1980, for example, just under half of the roughly 20,000 Chinese members of Local 23-25 of the International Ladies Garment Workers Union lived in Chinatown, compared to a quarter for the city's Chinese population as a whole. In Chinatown, immigrant garment workers could walk to work, or easily find a new job through the grapevine when they were laid off. Employers also found that clustering in Chinatown made it easier to recruit workers. Teenagers, mothers, and older workers, who might not have commuted long distances to work, were readily available for work in a local factory.

The concentration of factories was convenient for manufacturers. Chinatown was close enough to the garment district to take advantage of the schmooze factor. Shops could be visited daily; shipments could be sent frequently, even in small quantities; and a manufacturer's production supervisor could rotate from one factory to another.

For all these reasons Chinatown's garment industry boomed while the rest of New York's manufacturing economy declined. Recent developments, however, augur tougher times ahead. Cheap space was a key to the garment industry's growth; when residential and commercial renters began to vie for that space, the immigrant industrialists could not possibly compete. Loft dwellers, pushed away from Soho and Noho by escalating costs, were drawn toward Chinatown by its many smaller lofts, and began outbidding industrial tenants. By 1981, according to the Chinatown Garment Industry Study, 21 percent of loft space in the Chinatown area was occupied for residential purposes. After 1978, the real estate boom steadily shrunk the supply of cheap factory space.

Values appreciated rapidly, with the average consideration per square foot tripling from $8.34 in 1978 to $25.70 in 1981, and then doubling to $56.44 by 1985.

In Chinatown, as in the rest of the city, the dizzying spiral of real estate speculation ended with the stock market crash. Chinatown's space problems continue, however, because only part of the past increase in values was caused by residential developers. Chinatown's success as the commercial and service emporium for the metropolitan area's burgeoning Chinese population has accelerated conversions of loft buildings to commercial purposes. Commercial rents in Chinatown are the second highest in Manhattan.

Under such pressure, vacancy rates for industrial spaces have plummeted; there is virtually no available space left in Chinatown. Long-term leases of more than three years are no longer to be had, and a growing proportion of Chinatown's garment factories operate on a month-to-month lease. For many factories, the real estate squeeze spells not relocation but extinction. A study conducted by the Garment Industry Development Corporation found that two-thirds of the 36 garment factories located in six Chinatown loft buildings chose not to stay in business when they were forced to move.

In recent years, the city has tried to preserve space for this unique immigrant industry, with only modest success. The City Planning Commission took the first steps in 1982 and 1983, rezoning a mixed-use manufacturing area (where conversion to residential uses was permitted) to a manufacturing zone in which residential conversions were prohibited. Later, a special district was set up in a commercially zoned area, prohibiting conversion from manufacturing to residential uses. These zoning changes have apparently succeeded in warding off further residential infiltration, but they offer no protection against commercial incursion.

In another effort, the city, the ILGWU, and two employers' associations joined forces to establish a new entity, the Garment Industry Development Corporation (GIDC), to organize consortia of Chinatown contractors to buy lofts in which they can permanently house their factories. But factory owners find it hard to raise the needed funds. The city's Financial Services Corporation (FSC) may help only after initial private financing has been raised, and the garment contracting shop is too uncertain an enterprise to raise a large first mortgage from a bank. Consequently the GIDC can claim only one real estate success: In February 1987 five Chinatown contractors purchased lofts in a newly formed industrial condominium on Broadway, just north of Canal Street.

The immigrant sector is not nearly as proficient in the high-fashion market as it should be

Having met with disappointment on the real estate front, the GIDC is now turning its attention to the more promising, sorely needed task of upgrading the skills of workers and entrepreneurs alike. The goal is to help the city's apparel makers make more of the tremendous advantage of being in New York.

Though the city's garment industry on the whole is oriented toward high-fashion lines, the immigrant sector—the industry's future—is not nearly as proficient in that portion of that market as it should be. Nor have the immigrants mastered the new technologies and production methods that would enhance the city's quick turnaround edge. The immigrants are still relying too

heavily on hard work, long hours, and low pay, to the detriment of skill, efficiency, and innovation.

To preserve New York's niche, the immigrant entrepreneurs need a more skilled labor force that can compete not just with low-cost labor but with new, more productive, flexible, and intensely managed production technologies. Such technologies foster the quick response to market changes on which New York's industry depends. If GIDC can help provide better-trained workers, Chinatown contractors can move up in the product stream. With more skills, Chinese workers might also be able to connect with the remaining European-American contractors and manufacturers who still specialize in high-quality lines and are desperately seeking skilled help.

The city needs a strategy aimed at fully mobilizing immigrant talent

Better workers are only one link in the chain. Just as importantly, the manufacturers—that vital link between designers, suppliers, and retailers on one side and the immigrant producers on the other—are suffering from a shortage of new blood. To strengthen the link between the immigrant production community and the design shops, the immigrant community itself must move into manufacturing in a sophisticated way.

The city needs a strategy aimed at fully mobilizing immigrant talent, propelling immigrants from simple contracting to the more complex, and financially lucrative, activities of a manufacturer. Schools like the High School of Fashion Industries or the Fashion Institute of Technology, for example, already enroll a substantial immigrant or second-generation student body. But these schools mainly prepare students for marketing and merchandising, not production. A manufacturing-oriented curriculum could increase the potential supply of trained, immigrant entrepreneurs, and the schools could also develop a much more effective extension program, linking the school and the industry, just as agricultural schools have done for years.

A second step would be to put in place an infrastructure to help "new blood" manufacturers compete with larger competitors and importers. An apparel service center would be a key element in this strategy. Here, firms could hook into technical assistance, such as computer-aided design and manufacturing on a time-share basis. Linking such a service center to an industrial incubator, a physical facility offering cheap space to new firms only, would mitigate the real estate pressures that have jacked up the industry's space costs. Linked to such an incubator the service center could also provide centralized bookkeeping and payroll services. Neither the incubator nor the service center need be in Chinatown, nor in Manhattan. If, despite Chinatown's tremendous "clustering" advantages, the real estate furies are driving manufacturers to Brooklyn, or Queens, the city's best course would be to make the long march as easy as possible by providing a safe haven at the end.

Of course, recreating an enclave of innovative entrepreneurs is no easy task—as state and local governments intent on building copycat versions of Silicon Valley have found out to their dismay. Still, New York's critical mass of designers, entrepreneurs, and skilled workers suggests that the necessary ingredients are already in place. If the industry learned how to use this talent better, it might find the market niche in which it could thrive. That would certainly be an improvement on the present strategy—of just trying to hang on. ■

Opening Albany's Books

by Edwin S. Rubenstein

In Albany the most common explanation for the state's fiscal crisis runs like this: As the national and particularly the regional economy have slowed, New York, like most nearby states, has had an unexpected revenue shortfall. New York was particularly hard hit because of the large recent cuts in state income-tax rates. The resulting revenue loss has been so severe that despite several years of relatively restrained spending, the state now faces a huge and growing deficit not of its own making, a gap that can be filled only by tax increases or by substantial reductions in vital services.

Though there are elements of truth here, in substance this story is false. The deficit was not caused by a revenue shortfall. Revenues grew dramatically during the Eighties, despite and in part because of the tax cuts, and have continued to grow (though more slowly than Albany projected) even as the economy has slowed. Spending has not been restrained but lavish, far exceeding even the substantial increases that might have been justified by the boom of the Eighties. The immediate cause of the deficit has been not a shortage of revenue but an excess of spending.

Of course great needs, or bold new programs, might well justify rapid spending increases. But the increased spending did not go toward bold new programs, but to pay for the increasing costs of traditional services. Nor did the increases clearly improve the quality of these services. Much of the increasing cost of traditional services can be attributed to poor management, for which the Governor's office, the Comptroller, the Legislature, and both political parties all deserve a share of the blame. As for the immediate fiscal crisis, that is largely the product of the state's insistence on using budgetary shenanigans to spend beyond its means even during the boom, drastically overextending its commitments, and then not acting quickly enough when the economy started to tighten.

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Spending vs. Revenues

The state's economy has slowed significantly since late 1989. But this fall has been from a new, higher baseline established by the Eighties boom. During the Eighties, New York's economy performed better than the most optimistic futurist would have dared to predict.

Though lagging behind neighboring states, New York grew faster than the nation. Real personal income rebounded from no growth to average annual increases of more than 3 percent. Per capita income rose from 8.1 percent above the national average in 1980 to 16.9 percent above in 1989. Despite the current economic slide, there are more than one million more New Yorkers working and paying taxes today than when Mario Cuomo took office in 1983. The state jobless rate declined from 8.6 percent to circa 5 percent, and at this writing is still below 6 percent. The deterioration in the state's economy has been far less dramatic than the deterioration in the state's fiscal condition.

As for revenues, while some tax sources have shrunk in recent months, total state tax revenues continue to grow. Tax revenues are up a startling 89 percent since 1983. (See Figure 1.) By comparison, inflation was up 33 percent and federal revenues expanded by 53 percent. This increase in New York State tax revenues represents more than $760 for every man, woman, and child in New York, a figure larger than the total per capita tax collections of some states. State income tax revenues have grown substantially even in the face of the income-tax rate cuts. (See "Did the Cuomo Tax Cuts Work?" *NY: The City Journal*, Autumn 1990).

Had state spending merely kept pace with the Eighties boom, Albany would have a multibillion dollar surplus today. But this opportunity was lost.

In 1983 New York State, despite the relative parsimony of the Carey years, already spent 29 percent more per capita, and 13.8 percent more relative to personal income, than the average of the other 49 states. Nevertheless, during the next eight years, state-funded spending rose 91 percent. By 1988, the latest year for which comparable data for all states are available, the state was spending 47.3 percent more per capita than the average of the other 49 states (see Figures 2 and 3), and 24.2 percent more relative to personal income.

From 1983 through 1988 New York State spending as a percentage of personal income rose by 7.1 percent (from 14.7 percent of personal income to 15.7 percent of personal income), an astonishing event considering that personal income rose by 47 percent during the same period. During the same period the state-spending-to-personal-income ratio for the rest of the 49 states dropped by 1.8 percent. (See Figure 3.) And despite the looming fiscal crisis, the state's fiscal 1991 budget still calls for an additional 7.5 percent spending increase.

The data seem very clear: State personal income and state revenues have increased

FIGURE 1
New York State
Tax Revenues Rose $13.7 Billion or 89% in Eight Years

Fiscal Year	Personal Income Tax	Total Taxes
1983	$ 8.2	$ 15.4
1987	12.2	23.4
1988	13.9	25.5
1989	13.8	25.6
1990	15.3	27.3
1991E	15.6	29.1

Source: Official Statements
(issued in conjunction with state bond sales)

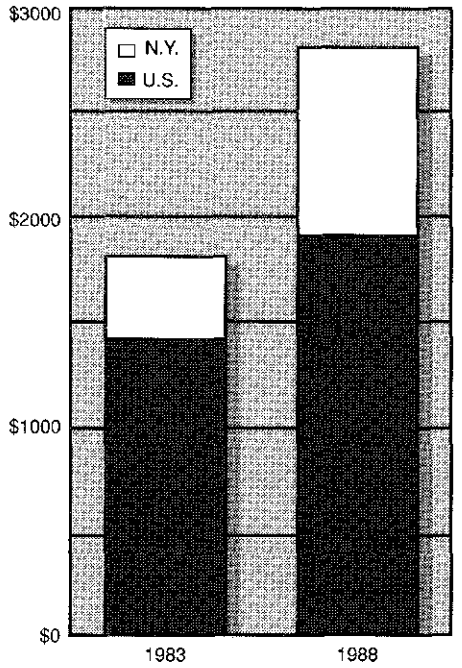
enormously since 1983; nevertheless the state has outspent its growing resources. The fiscal crisis was caused by too much spending, not too little income.

Budget Games

Why then do so many people believe exactly the opposite? Part of the reason surely is the opacity of the state's financial records. The state's affairs are tangled in a network of trust accounts, special funds, and off-budget enterprises apparently calculated to confuse potential critics.

To measure total state spending without the distorting effects of interfund shuffling, and to facilitate meaningful comparisons with other states, I have here used total or all-funds spending as the basis for my analysis, which most disinterested experts would agree is the only sensible procedure.

FIGURE 2
State Spending Per Capita
New York vs. All the Other States
1983-1988



Source: U.S. Department of Commerce, *State Government Finances*, 1983, 1988.

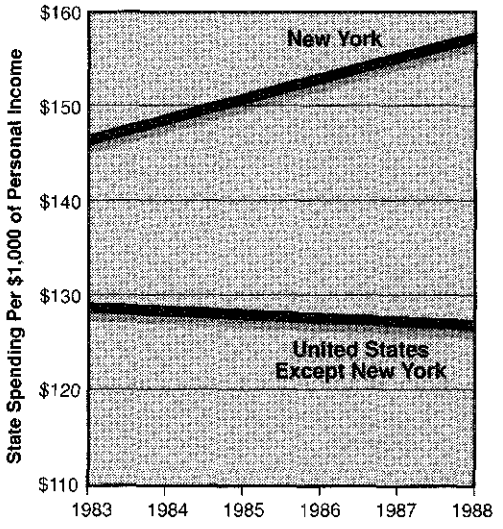
Many New York officials, however, do not like the all-funds approach. They would like public discussion to focus on general-fund or on-budget spending. Governor Cuomo, in fact, has criticized the author's previous use of the all-funds approach, arguing:

> . . . the "All Funds" budget . . . include[s] billions of dollars of federally supported appropriations, plus capital costs. Historically, the State's General Fund has been used as a more realistic barometer of spending, and for good reason. The General Fund more accurately portrays tax-supported expenditures.
>
> —Letter distributed to NYS editors, July 30, 1989

True, the general fund once was a reliable measure of state spending. In recent years, however, many state expenditures long considered general-fund items have been shifted off budget, to special-revenue, capital, and debt-service funds. As Figure 4 shows, off-budget spending has exploded in the past eight years, growing by 306 percent, or 7 times the rate of inflation. Over the past eight years, a total of $5.9 billion has been added to off-budget spending. In the 1990-91 budget, off-budget spending is slated to rise 27 percent, or more than 14 times the increase reported for the general fund. All in all, more than 20 percent of total state spending (excluding federally supported spending) is excluded from the general fund, up from 9.7 percent at the start of this administration.

In the past, the assignment of spending to off-budget accounts was based on management or accounting considerations. "Special-revenue" funds, for example, served as depositories for federal grants, which were then passed through to local

FIGURE 3
From 1983 to 1988, State Spending Per $1,000 Personal Income Grew in New York While Declining in the Rest of the Country



Source: U.S. Department of Commerce, *State Government Finances*, 1983, 1988.

governments. But a recent study by the Peat Marwick accounting firm found no rationale for the recent fund shifts other than to give the illusion of spending restraint in the general fund.

Since 1983, regulatory agencies such as the Public Service Commission, the Banking Department, the Insurance Department, the Commission on Cable Television, the Worker's Compensation Board, and the Consumer Protection Board have been reclassified from the general fund to special-revenue funds. The most common justification for moving these agencies off budget is that they are financed not by ordinary tax revenues but by fees levied on the industries they regulate.

The imposition of such "user fees" in lieu of general taxes is a sound economic practice that can curb inadvertent government subsidies to the affected businesses: Under the fee system businesses pay for their own regulation. But it makes no sense not to count the budgets of these regulatory agencies as part of general state spending.

FIGURE 4
Off-Budget Spending Has Grown Faster than Any Other Category (In $ Billions)

Fiscal Year	General Fund	Off Budget	Net State Spending	Federal Grants	Total All-Funds Spending
1983	$17.756	$1.915	$19.671	$6.752	$26.423
1985	21.035	2.841	23.876	7.980	31.856
1987	24.833	3.260	28.093	9.335	37.428
1989	28.244	5.055	33.299	10.150	43.449
1990	29.229	6.129	35.358	11.005	46.363
1991E	29.774	7.781	37.555	12.288	49.843
Percentage Increase: 1983-1991					
	67.7%	306.3%	90.9%	82.0%	88.6%

Source: Comptroller's Annual Reports; underwriters "Official Statements" for state tax and revenue anticipation notes.

To the consumers, employees, and shareholders who indirectly pay them, user fees feel no different from taxes. As with tax revenue, the need for fee revenue rises and falls with the efficiency of the agencies that spend it. Fees, however necessary, are a general burden on the economy just like taxes, and sop up some of the state's taxing capacity.

Finally, fee revenues and tax revenues are fungible. That is, a new dollar in fee revenues should free up a dollar in tax revenues either to be returned to the people via a tax cut, or to be used for new spending. Only by looking at the all-funds figure can we know whether most of the tax dollars freed up by fees went to new spending or were trimmed from the budget and returned to the voters.

In this budget year, the state will spend $3.1 billion in user fees and other special charges, $500 million more than last year. The use of fee revenues to move items off-budget has spread so that many traditionally tax-supported activities have disappeared from the general fund:

- Fees on heavy trucks are paying the salaries of 196 administrative and clerical workers at the State Department of Transportation.
- At the Department of Agriculture, 33 employees who used to be paid from tax money are being paid from assessments on dairy producers and farms, and from fines and fees paid by the food industry.
- About $100 million in new assessments on utilities is paying for, among other things, a Consumer Protection Board project to study utility issues of importance to the poor.
- The Department of Social Services had no support from special-revenue funds in 1983; it now uses $116 million from sources such as fines for food-stamp fraud to help defray its $270 million budget.

All these changes may represent sound economic practice. They do not represent a reduction in state spending.

As for the claim that the all-funds measure should not be used because it includes federally supported programs, this is wrong on several counts. Federal aid cannot be easily isolated from state-supported spending. Much federal aid comes as matching funds tied to state spending increases. Conversely, nonmatching federal aid is at least partly fungible with other state revenues, so an increase in certain types of federal aid should permit a decrease in the use of state funds. Because of such complications, it makes sense, when assessing a state's fiscal performance over time, to count federally supported expenditures, provided one does so consistently.

To the consumers, employees, and shareholders who pay them, user fees feel no different than taxes

Moreover, the inclusion of federally supported expenditures in the all-funds measure actually makes the state's recent fiscal record look slightly better. As Figure 4 shows, "net state spending" includes all general-fund and off-budget state-supported spending, but not federally supported programs. Net state spending increased 91 percent from 1983 through 1991, but federally supported spending lagged behind, increasing just 82 percent. Because of that lag, all-funds spending increased less than it would have if federally supported spending had kept pace with state-supported spending.

One-Shot Deals

Moving traditionally on-budget items off budget, and claiming that fee funds have replaced tax funds when they have merely supplemented them is, to be sure, dishonest. But in themselves such practices need not produce a fiscal catastrophe. A far more dangerous sleight of hand, and one increasingly used in New York State in recent years, is the use of nonrecurring "one-shot" revenues to drive spending levels beyond the state's true ability to pay. Even in boom years such practices encourage the state to commit itself to increases in spending far beyond those allowed by normal economic growth. When the boom stops, and the list of available one-shots grows short, disaster looms. Indeed, if one-shots must be used at all they should be saved to "fill in the gaps" in hard times, not to overextend the state's commitments when times are good.

The use of nonrecurring "one-shot" revenues drives spending beyond the state's true ability to pay

Yet it was just at the tail end of the boom that New York State began to overindulge in one-shots. In fiscal 1986, the state succeeded in having the Urban Development Corporation sell bonds to cover the cost of prison construction. Not content to cover construction costs for that year alone, bonds were sold to cover the costs for prior years as well. Presto! This "back-bonding" produced a painless $255 million windfall to New York State.

With that apparent success, the binge was on. In 1987 the state found a way to justify withdrawing $325 million from the State Insurance Fund (a worker's compensation fund for employers and workers) and $69 million from the Battery Park City Authority's accounts. The following year the Tax Stabilization Reserve Fund, a.k.a. the "Rainy Day Fund," proved irresistible: $133 million of reserves were siphoned off. Another $300 million was drained from the State Insurance Fund.

In fiscal 1989 the state discovered $110 million in what it declared "superfluous" reserves in a trust fund set up to cover death and disability benefits. Another $123 million windfall transpired from selling Empire State Plaza bonds. (The plaza was completed in 1974.) In refusing to turn Medicaid funds over to private carriers, Albany discovered yet another way to raise cash—$54 million in this case. The insurance fund was good for another $250 million.

In the past two fiscal years the one-shot trickle has become a torrent. SUNY bonds were refinanced: $111 million. The Hazardous Waste Removal Fund was raided: $84 million. Ditto the Housing Finance Agency ($30 million) and Court Facilities Funds ($36 million). The Dormitory Authority was ordered to sell $68 million in bonds to pay for a new laboratory for the State Health Department. "Back-bonding" for work done in previous years on Mental Health Department facilities produced another $67 million. Those old standbys—the State Insurance Fund and the Aggregate Trust Fund—came up with a combined $290 million. A state office building (or a prison) is to be sold to the state's own Urban Development Corporation. A highway will be sold to the State Thruway Authority. New actuarial assumptions developed for the Teachers Retirement System will enable school districts to forgo $354 million in pension contributions, in effect shifting this money to Albany as state aid to education.

All in all, $5.6 billion worth of "special-effect" revenues have been dredged up since fiscal 1986—$1.8 billion in 1991 alone. The one-shots are an unsustainable source of revenue. The very need for them should have been an early signal that the state was spending beyond its means. A state government pressed for cash as early as 1986 clearly needed to make spending cuts. Soon the state will be deprived of most one-shot revenues because practices such as claiming a $354 million saving by redoing some actuarial tables profoundly sway the credit markets. As the credit markets tighten, fiscal rectitude will be forced on the state government. The inevitable spending cuts will be far more drastic and painful than they needed to have been.

Practices such as claiming a $354 million saving by redoing some actuarial tables upset credit markets

Local Largesse Lost

Spending increases, not revenue shortfalls, caused the current crisis. That leaves us with the all-important question of whether the spending increases were necessary or productive. To answer that question requires some attention to the major state spending programs. But it also requires a look at local government spending in New York, which provides perhaps the most powerful evidence that recent state spending has been excessive.

Most states that rank high for state government spending rank much lower for local spending, and vice versa. This is to be expected: In states where the state government pays for a lot of services the localities need do less; where the state is parsimonious, the localities must do more.

In New York this trade-off does not happen. We are among the national leaders for both state and local government spending. Relative to personal income, New York state and local governments spend 31 percent more than the rest of the country. In 1988, New York's combined per capita state and local government spending was 55 percent higher than in the rest of the country ($5,026 versus $3,243 per capita). The next highest-spending industrial state, Massachusetts, spends 21.5 percent less on a per capita basis. New York could save $19 billion—enough to seal many years of fiscal gaps—just by reducing spending to Massachusetts' level.

Thus though New York's local governments are lavish in their provision of services, at least in dollar terms, Albany fails to take advantage of this largesse by trimming its own spending. Moreover, Albany not only fails to take advantage of the high level of local spending, it bears substantial responsibility for the size of local expenditures.

State regulations determine the level and cost of many services provided by localities. Albany mandates at least 65 percent of Rensselaer County's budget, according to John Buono, Rensselaer County executive. New York is one of only 14 states that forces local governments to pay for part of Medicaid. Local governments in New York account for about 80 percent of all local government Medicaid spending nationwide. Albany prescribes staffing levels for nursing homes. State regulations determine the amount of courtroom space and jail cells that counties must build, as well as the type of food they must serve to inmates. Counties are required to house state prisoners, for which the state pays only a fraction of the actual cost.

This year Albany initiated a new program for handicapped schoolchildren,

requiring counties to provide transportation during the school year, and special youth programs when school is not in session. Even as the state mandates an increasing amount of local spending, it has revoked revenue sharing for counties, and reduced the proportion of certain state fees (e.g., motor vehicle fines) returned to governments.

When local spending increases because the state requires it, only a bookkeeping illusion attributes that rise to the locality. Also, when the state mandates raises in local spending, and therefore local taxes, it limits its own ability to raise revenues. In this sense, much of what passes for local spending in New York is actually a state expense.

Where the Money Is

As for where the money went, ask anyone in Albany and you will get pretty much the same answer: not to new programs. Most of the increases in state spending seem to have gone to education, welfare, and Medicaid programs. Much of that money seems to have been wasted. New York pays far more per capita than most other state governments for these functions and there is little evidence that it gets more for its money. In some cases it clearly gets less.

Education

Elementary and secondary education, the single most expensive governmental function in New York State, cost New Yorkers $934 per capita in 1988, or almost one-fifth of total state and local spending. New York's educational expenditures have long been far above the national average, but between 1983 and 1988, state education spending rose an additional $7.1 billion, or 49 percent. It cost $7,561 to educate each pupil in New York State public schools in 1988-89, more than any state except New Jersey. The national average was $4,541.

Despite this spending binge, average New York SAT scores declined seven points between 1980 and 1990, making New York 45th in the nation, down from 36th in 1980. By contrast, New Jersey was able to increase SAT scores by 28 points over the same period.

Although enrollment in New York State's public schools is declining, there are more administrators and other nonteaching staff than ever before. The ratio of professional staff members to students dropped from one to 15 in 1980 to one to 12 in 1989, in part because of an increase in the number of administrators per student. Albert Shanker, President of the American Federation of Teachers, says there are more school administrators in New York than in all of Western Europe.

Welfare

At $707 per capita, welfare was second only to elementary and secondary education as a state and local expense item in 1988. Between 1983 and 1988, per capita welfare spending increased 60 percent in New York compared to 40 percent for the nation as a whole. New York's welfare spending ranks first in the nation as a percentage of personal income, though New York ranks only eighth nationally in the percentage of the population on welfare, and 17th in the percentage of the population living below the poverty line.

The classic welfare caseload—persons on AFDC and home relief—has shrunk in recent years. New York's welfare costs are high partly because its administrative costs are high. It cost New York about $1,118 to *administer* one AFDC case in 1988, or nearly twice the national average of $628. Only Oregon and Idaho—which clearly do not have New York's economies of scale for welfare administration—spend more per case.

A description of Department of Social Services productivity from the Arthur Andersen accounting firm helps explain why administrative costs were so high:

> Our analysis showed that 39 percent of the observed time was spent performing value-added activity (e.g., direct work); 23 percent was spent on nonvalue activity (e.g., filing, information retrieval, etc.); and 38 percent was spent on nonwork (e.g., idle time, nonbusiness talking, etc.). . . . The results confirmed a general sense of low productivity, and an overall lack of urgency in the conduct of daily work activities.

Medicaid

In recent years Medicaid has been the state's fastest growing spending program. With only 10 percent of the nation's Medicaid recipients, New York accounts for 20 percent of nationwide Medicaid spending. New York spent $4,163 per recipient in 1989, far more than any other state. (The national average was $2,318; California spent $1,654 per recipient.)

State officials often blame high state expenditures on demographics. "We have a high percentage of elderly people who need continuing, long-term, and nursing home care," says Terence McGrath, a spokesman for the State Department of Social Services. Actually New York ranks 18th in the percentage of population over age 65—and 49th in the growth of that population. Nor is there much evidence that New York provides significantly higher-quality care than most states. New York, for instance, ranks third in the percentage of mothers who receive little or no prenatal care, worse than every other state except Texas and New Mexico. (See Figure 5.)

The real source of our Medicaid overspending is a complicated series of poor management decisions that doom the system to waste and inefficiency. Thanks in part to a plethora of state rules and regulations, skilled nursing home care, for instance, is fantastically expensive in New York, costing about $25,000 per recipient here versus $8,500 in the rest of the nation.

The most significant Medicaid increases, however, have come in hospital inpatient

FIGURE 5

New York Spends Far More than the Rest of the Country for Medicaid

	Costs Per Recipient (a)	Cost Index (NYS=100.0)	% of Infants Whose Mothers Received Little or No Prenatal Care
New York	$ 4,523.	100.0	10.2 %
Massachusetts	4,112.	90.9	2.8
New Jersey	3,602.	79.6	5.0
Ohio	2,352.	52.0	3.3
Pennsylvania	2,235.	49.4	5.3
Illinois	2,016.	44.6	4.6
Michigan	1,765.	39.0	3.4
California	1,654.	36.6	5.7
U.S. ex NYS	2,084.	46.1	N.A.

Sources: Health Care Financing Administration, *States in Profile* 1990

a. Year ended September 30, 1989.

bills, which grew more than 230 percent between 1979 and 1989. Part of the explanation may be a shortage of nursing home beds, which has left many elderly patients "stacked up" in overcrowded hospitals awaiting transfers. New York Medicaid clients also spend more time in the hospital because they do not get enough regular checkups and other preventive care. This in turn, is partly because client care is managed much less aggressively and sensibly here than in states that use Health Maintenance Organizations and other "managed-care" programs for Medicaid patients. New York refuses to do this, failing to realize that cost containment, aggressive management, and quality care often go together.

How to Count Costs

These anecdotal overviews, however, are not the only evidence that the spending binge of the past eight years was unnecessary. Public-finance specialists have developed standard methods for comparing what a state spends to what it needs to spend, based on the experience of other states. These methods adjust for differences in the cost of living, state government salaries, the need for public services, etc. The best known of the various methodologies was developed by Robert W. Rafuse Jr., of the Advisory Commission on Intergovernmental Relations, a nonpartisan research organization supported by New York and other states.

Rafuse's "representative expenditure system" is particularly exacting in the way it accounts for differences among the states in such factors as population characteristics, crime rates, local salary levels, and even the number of miles residents drive on state roads. The result is a rough-and-ready standard for whether a state is over- or underspending.

By that standard, New York's expenditures are grotesquely overgrown. Mr. Rafuse's latest research, covering the 1986-87 fiscal year, found New York's state and local governments spend 52.4 percent more than the national average *even after taking needs and costs into account* (see Figure 6). New York ranked third in adjusted spending, behind Alaska and Wyoming. California spent only 12.4 percent above the national average. New Jersey and Massachusetts spent, respectively, 21.4 percent and 27.7 percent above the national average. Illinois and Pennsylvania spent below-average amounts.

Public welfare, at 197.8 percent of the national average, was the most lavishly overfunded governmental program in New York, according to Rafuse's calculations. New York spent less than the national aver-

FIGURE 6
New York Overspends for Most Programs Even After Taking Needs and Costs into Account
(U.S. = 100.0)

	Per Capita Spending	Per Unit of Need, Adjusted for Cost Differences
Total Direct Spending	145.2	152.4
Primary/Secondary Education	133.6	149.2
Higher Education	87.1	87.0
Public Welfare	194.8	197.8
Health & Hospitals	168.7	172.5
Highways	99.7	153.1
Police & Corrections	163.6	144.4
Environment & Housing	140.5	139.9
Interest on Debt	149.9	149.9
Administration	132.5	31.4
Other	173.6	173.0

Source: Advisory Commission on Intergovernmental Relations

age in only one area: higher education, at 87 percent. (See Figure 6.)

Rafuse's work contradicts the frequently repeated assertion that New York's costs are high because of difficult local conditions. On his analysis it is hard to escape the conclusion that the state government has been overspending for years.

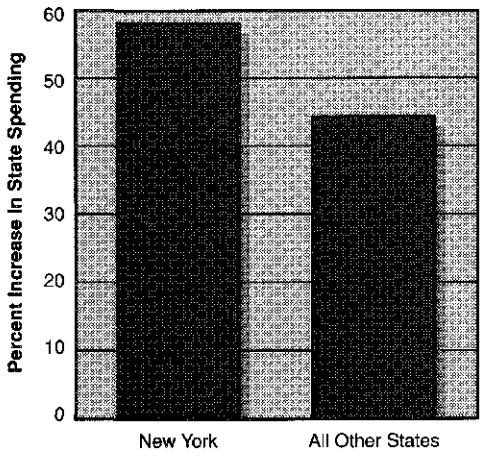
Political leadership ultimately comes down not to numbers, but to choices and values. It is always possible for an honest man to argue that the government should spend more, no matter how much it is already spending, or less, no matter how little. But it is impossible to deny that New York's fiscal crisis was caused by an extremely rapid

MORE WORKERS, LESS WORK

New York employs far more workers than most states and pays them higher wages, with little to show for it:

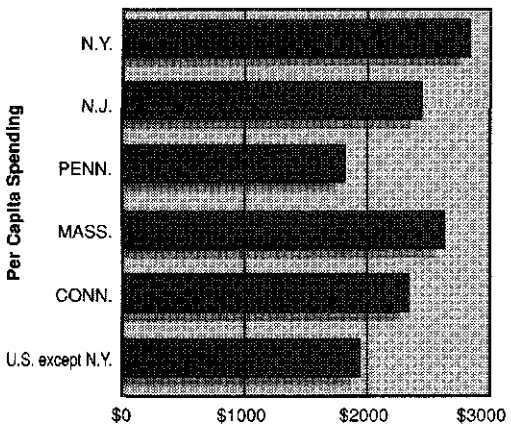
- The U.S. Department of Commerce's annual survey of public sector employment shows that New York State had 634 state and local government employees for every 10,000 residents, compared to a national average of 494 state employees per 10,000 residents in the other 49 states.
- New York employs one state highway worker per 6.2 lane miles, more than twice as many workers per mile as the national average. Yet 60 percent of New York's highway bridges were found to be deficient in 1988, more than twice the national figure.
- Between 1980 and 1988 the number of state government workers in New York grew by 31 percent, while the state population grew by 2 percent.
- New York's state and local government workers are paid more than their counterparts in all but two states—Alaska and California. New York State employees were the highest paid in the Northeast for 34 of 43 positions, according to an Arthur Andersen study.
- The Andersen study also concluded that: "Productivity is perceived as a 'passing' fancy by the line and staff managers in state agencies. . . . Too many people view productivity as a revenue issue. . . . If revenue is not a problem, productivity is not discussed."
- The average New York State employee is paid $2,250, or 8.8 percent, per year more than the typical New York State private-sector employee. In three of the four contiguous states, state government employees are paid less than private-sector employees.

FIGURE 7
From 1983 to 1988, the Growth in State Spending was Far Greater in New York than in All Other States



Source: U.S. Department of Commerce, *State Government Finances*, 1983, 1988.

FIGURE 8
In 1988, New York's Spending Per Capita was the Highest in the Region and Far Above the National Average



Source: U.S. Department of Commerce, *State Government Finances*, 1983, 1988.

increase in spending, an increase so rapid as to outpace the normal growth in revenues from one of the most powerful economic booms in American history. It is nearly as difficult to argue that this huge rise in spending produced a comparable improvement in the quality of state services or the well-being of New Yorkers.

The Future

What about the future? The economic downturn has already reduced revenue growth far below the state's projections. A year ago Albany claimed it would collect $28.9 billion in tax revenues for fiscal 1990; it got only $27.3 billion. When the 1991 revenue forecast is next revised, the fiscal crunch will look even worse.

The economy, however, will bounce back eventually. The scary part of New York's fiscal problem is that even in the best of economic times large and growing deficits seem inevitable. By Albany's own admission, this year's budget is balanced with $1.8 billion worth of items it cannot count on next year. As one leading municipal bond trader comments: "The state has dug itself into a fiscal hole. Actually, it's more like quicksand. Political considerations strongly favor the increased use of one-shot budget gimmicks to avoid permanent tax hikes and spending reductions."

If Albany can not control the one-shots, spring borrowing, and chronic revenue overestimates, Wall Street will: Investors will demand higher interest rates to compensate for the higher credit risk. Institutional investors will balk at adding still more state paper to their portfolios without a credible financial plan. Investment advisors are already telling clients to lighten up on New York State bonds. If things continue as they have, the state will find itself where New York City was in 1975, albeit without the prospect of a bailout from a friendly superior level of government. ■

URBANITIES

A Child's World

In the lobby of the Plaza, there is a large, formal portrait of a little blond girl named Eloise. No one has ever met Eloise, but three generations of American girls have grown up reading about her merry, mischievous pranks in the classic children's book, *Eloise at the Plaza*.

I first fell in love with Eloise 30 years ago. Last Christmas, when my daughter received her own copy, Eloise and I renewed our old acquaintance. Eloise, the superfluous scion of a jet-setting divorcée, was as hilarious as ever at upsetting the staid routine of a distinguished hotel: climbing chandeliers, pouring water down the mail chute, pushing elevator buttons to her heart's content. The great joke on which the book turns is how resourcefully Eloise copes with being cooped up in the rarefied, hoity-toity, very adult environs of the Plaza. Thanks to her own ingenuity, she succeeds in living a fully childish life, despite the best efforts of befuddled hotel clerks and English nannies to enforce 24-hour-a-day propriety.

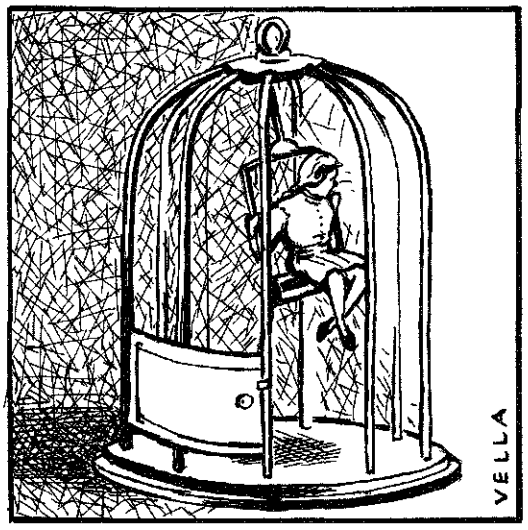
This time, reading Eloise, I noticed something new: Eloise is no longer a mere curiosity of children's literature; her lifestyle is not much different from that of the average middle-class New York City kid. Certainly, Eloise's predicament—confinement in luxury—today seems normal enough to many thousands of New York parents and children, many of whom feel obliged to shun public schools, public transportation, public streets, and public parks. In fact, confinement—even though not necessarily in luxury—is a reality for most children in today's New York.

The majority of children in Manhattan cannot boast caretakers who deliver the injunction, "You cawn't, cawn't cawn't" with the panache of Eloise's British nanny. Nevertheless, the same injunction is delivered on a regular basis by thousands of mothers, teachers, housekeepers, and babysitters, when children commit the small sins which in a safer, less brutal, and yes, less affluent city, used to be considered an ordinary part of "child's play."

Try tagging along with your child during a class trip to the park playground. The list of serious no-nos has grown amazingly long: "Do Not Run Out of Sight, Do Not Pick Anything Up Off the Ground, Do Not Sit on the Pavement, Do Not Talk to Strangers, Do Not Touch the Animals. . . ." At a summer children's program at the Hayden Planetarium, the moderator actually said that kids who want to see a rainbow must take care to go out only with an adult whom they "know well, love, and trust." One wonders why children are willing to step out the door at all to investigate what adults insist is a very dangerous world.

Compare that to our own childhoods, or to the way children live in other societies. Our family lived for several years in

Luxembourg, returning to New York only recently. In Luxembourg, a small but cosmopolitan city that is one of the three seats of the European Economic Community, the children in our neighborhood went to different schools, spoke different languages, came from different social classes. Yet all up and down our block, families maintained an "Open Door" policy, allowing neighborhood kids to come and go pretty much as they pleased. One child's discovery of anything from an ancient Roman coin to a dead bird might spark a communal viewing expedition: The children who poured out the front door to gather in wonder would range in age from two to 13. There, as in many cities—as in New York some decades ago—children had the freedom to live in a children's world: establishing their own rules for their own society, largely unconstrained by adult snobbery, adult schedules, or adult fears.



I was prepared to exercise considerably more control over my daughter's movements when we moved to New York City. What I was not prepared for was the social pressure to turn necessity into virtue. Something was very different in the attitude toward children here. In New York City, children's society has been suppressed.

Take that staple of New York children's life, the "play date." Here, to enjoy the society of other children, a child requires a social secretary, preferably one who occasionally moonlights as a parent. For small children, who may like each other one minute, and "vant to be alone" the next, the play date is a strange and unnatural social form. Play dates almost always take place indoors, where the children are left (like Eloise) to the care of a hapless housekeeper and with only a large television set to explore. In my daughter Nadia's five most recent play dates, I retrieved her from a television set not less than four times. Twice, I walked in on soap-opera love scenes obviously selected more to please the baby-sitter than the children. One time, I was confronted by *Mary Poppins* displayed on a video screen the size of my couch. Nadia did not greet me enthusiastically. In fact, she did not notice me. Neither did she appear to notice her play date, nor he, her. Each was climbing distractedly all over the furniture, holding an umbrella. Personally I would rather have found the two kids engaged in hand-to-hand combat than wandering about in that somnambulist state. The little boy's mother (who had spent the afternoon working in another room) insisted the children were having "a wonderful time together." Nonsense. They were not together at all. There was no society in that room, just two children not bothering adults.

New York City is, for many reasons, a difficult place to raise children. Many parents face a double bind, not of their own making: Thanks to crime, litter, and vagrants, it is not safe for children to play outside, and yet, thanks to the housing shortage, there is no room for them to play inside either. But am I wrong in sensing that one reason adults killed off children's society is that we are too busy, or too tired, to

channel our children's natural energy, rather than merely tranquilize it? Creating an environment in which children feel free to use their own initiative, creativity, and enterprise requires, paradoxically, a great deal of adult energy and adult supervision. Liberty requires order, and ordering, as any parent can testify, can be an exhausting and time-consuming endeavor.

Many well-meaning but weary parents have reconciled themselves to the fact that the paid surrogates on whom they depend for help with child care will opt for the easy way out—that of stunting children with passive entertainment. How else can one explain that horror of horrors, the modern Manhattan birthday party. You remember what a children's birthday party is like: the excited child who sits at the head of the table, blowing out birthday candles, making wishes; the squeal of delight as the birthday boy tears off the wrapping paper, the smiles on the giver's face; balloons, musical chairs, pin-the-tail-on-the-donkey. The birthday party is one of the great treasured celebrations of childhood. It is also a rite of passage in which children learn some important lessons: how to select, wrap, and cheerfully give away toys you really like; how to delay the gratification of ripping open presents until the appointed time; how to wait your turn for cake and ice cream; what to say when you spill said ice cream on the carpet; how to thank people for the gifts you love and (hard lesson!) also for the gifts you don't.

Remember? Now, put that all out of your head. In modern day Manhattan, the birthday party has been revved up, stripped down, and moved out of the house, indeed out of the realm of social activity altogether: The thoroughly modern Manhattan birthday party is a commercial enterprise and a media event.

Take, for example, the birthday party Nadia attended last December. It was at, well, let's just call it a very popular children's-party catering place, one that has been written up favorably in the national press. When I stepped out of the taxi with Nadia and a classmate, I was greeted with a scolding for being five minutes late, followed by a brusque shove down the stairs leading to the brownstone entrance. That was only the beginning.

In modern day Manhattan the birthday party has been revved up, stripped down, and moved out of the house

This establishment's party room features a plethora of cheap party-shop chochkes hanging from the ceiling. The decor struck me as neo-claustrophobic. The children, however, seemed to find the collection quite impressive. If so, it is the proprietor's only concession to children's predilections. What passed for a birthday party was 90 minutes of Borscht-belt stand-up comedy routines, as grotesque for their banality as for their inappropriateness. One joke, which the proprietor and master of ceremonies liked so much he used it repeatedly, went as follows:

> M.C. to birthday boy: "Hey, do you want to marry my sister?'
> Birthday boy: "No. . ."
> M.C.: "Oh, I guess you've met my sister!"
> [Ba-dump-BUM]

The heart of the party was a tasteless and upsetting "roast" of the birthday child, his siblings and family, liberally interspersed with advertisements for coming attractions. The children were told, at least every five

minutes, that they would not be sent home without first eating the proprietor's pizza and ice cream, seeing the proprietor's "famous" light show, and viewing themselves on the proprietor's video camera.

During the stand-up act, the children were strictly charged to sit cross-legged and silent, hands on their laps throughout. They were not allowed to talk to each other or (heaven forbid) to the child whose birthday they had come together to celebrate. If they had any necessary comments, they had to raise their hands and wait their turn to be called upon. And heaven help the little tyke whose restless movements made any extraneous noise. At this establishment, the greatest sin is finger-tapping. Why? The video is rolling.

About forty-five minutes into the affair, the children were seated at the table, on benches lined against the back wall, where they were effectively trapped for the duration of the party. The proprietor's helpers slapped one slice of pizza on a paper plate in front of each child. During the few short minutes allotted to the consumption of this snack, the entertainment never stopped. Pity the poor child who was distracted by it. Some were in the act of biting when the pizza was snatched out of their mouths and whisked into the garbage. The proprietor, need you be reminded, allows no standing or kneeling on the benches. And no talking either.

The birthday cake made a cameo appearance at the end of the light show, but was never cut. Instead, the children were served prepared portions of ice cream. There was no time to tarry over culinary delights, however. The ice cream rapidly went the way of the pizza: The video show was pressing.

For this portion of the entertainment, each child was required to submit to the humiliation of a taped interview in which he was asked, for example, whether he might like a bop on the head with the proprietor's plastic hammer, or whether he would go out with the proprietor's sister.

Most horrifying was the proprietor's penchant for reminding the children that birthday celebrations are commodities. He is famous for publicly chiding parents who have selected the less expensive party plans, often mentioning in his patter not only what the current party package includes, but what it excludes.

This horrifying establishment is an extreme example, of course, but it reflects the increasingly superficial quality of the social forms to which we introduce our children. At Manhattan birthday parties, in my experience, presents are never opened. The gifts are carted away, never to be seen again; and the givers are seldom thanked, either in person or by note. On the way home from her very first birthday party in New York, Nadia broke into tears, insisting the gift she had brought had been lost.

When we offer our children commercial ventures in the place of social life, we teach them that there is not much difference between a friend and a vendor, between a market and a home. In this way, the collapse of children's society mirrors Americans' increasing tendency (much to Miss Manners' dismay) to confuse social and business engagements, or, rather more accurately, to transform all social engagements into business opportunities. Thus, one's private and public life become indistinguishable—that is to say, one's private life disappears.

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In such a culture, children learn to judge people by their lifestyles rather than by the content of their characters, or even the quality of their accomplishments. Children receive the message that the great divider between human beings is not their degree of moral or intellectual cultivation, but their ability to display the pricey accoutrements of culture.

Tormented by profound anxiety about their children's future, New York parents do push their children to excel, but often only by the standards of the adult world. One mother in my little girl's nursery class, a quiet, shy woman, responded to a compliment about her son with the despairing comment, "I know he does well . . . but he doesn't seem to realize or care. I wish he were more competitive!" Anxious parents like these seem to be under the mistaken impression that toddlers are just like adults, only shorter. Hardly surprising then that their children, deprived of old coins and dead birds and the neighborhood gang, mirror their parents' desire for status, frantically mounting up collections of faddish toys, clothes, and videos.

Thankfully, Nadia is not yet as jaded as one of her classmates who, upon arriving at our apartment remarked, "Your house is better than ours because your lobby is prettier." But I gather from various stray remarks that my daughter perceives New York as a city composed of the rich and the beggars. Everyone else—the vast majority of us—pales in her vision. She frequently inquires, "Mommy, when are we going to be rich?" For that eventuality, my daughter is already making plans.

By subjecting children to unrelenting pressure to succeed, and ignoring them when they play, by cramping their movements but offering them unlimited opportunities to be passive spectators, we can hardly nurture a generation of "independent" children. In reality, we end up infantilizing, not only toddlers, but older children as well. The self-governing children's society of our youth, in which children—on the road to maturity and independence—explored the world of their neighborhood with their peers, has become an historical curiosity, or worse a merely televised reality, what they do over at Mr. Roger's Neighborhood.

The children's society of our youth has become an historical curiosity, or worse, a merely televised reality

It is not fair ultimately to place all the blame on ourselves, at least on ourselves as parents rather than citizens. Children's society is fundamentally threatened by a city that first creates, then ignores parental fears. After all, if we allow muttering madmen to wander our streets, then we must forbid our children to go outside and play.

The generation that wanted to Question Authority evidently has a peculiarly difficult time exerting any, either individually or collectively. The result of our unwillingness to shoulder the responsibilities of adults and say a firm "no" to those who make our streets—or our birthday parties—unsafe is that our children are being denied the privileges of childhood, including the basics: a yard, playground, park, or at the very least, a sidewalk of one's own.

—Dana Mack

The Right Man for the Met

The James Levine era at the Met is almost two decades old. The Metropolitan Opera Orchestra and Chorus are now

arguably the greatest in the world, vocal standards are generally high, production standards are very high, and the operatic classics are flourishing.

Many critics, however, seem lukewarm on Levine. It is hard to find a responsible critic who thinks Levine a positively bad musical director, but many of even the best critics seem bored by him. Samuel Lipman, the excellent and perceptive publisher of *The New Criterion*, recently gave an almost perfect example of this attitude. At the end of a generally *negative* assessment of Levine's *Ring*, he summed up the general critical reaction, including his own, this way: "There was widespread agreement that the *Ring* is wonderful musical theater, and that the present production is the best we are likely to see in the foreseeable future." He then cited this judgment, which to the untutored eye might appear to be a rave, as "part of the wider, albeit often quiet despair so widely felt about today's musical world and its future."

The Met's current *Ring* is certainly the best we have seen for a very long time. I have come to suspect that the critics' real problem with Levine is not this or that performance, but that he so thoroughly belongs at the Met. It is the Met itself that annoys them, Levine all the more so because he expresses the spirit of the Met so well.

The Met has traditionally had a very strong grasp of this truth: that opera is the most populist of high art forms. True, in its early days as court music, opera consisted largely of classical myths set to ritualized oratorio music, a form which can scarcely lay claim to the dramatic power the opera attained in the nineteenth century. Mozart wrote some of these ponderous, mytho-historical opera seria, which have their moments (he was Mozart, after all). But when he wrote *Don Giovanni*, *The Marriage of Figaro*, and *The Magic Flute*, Mozart let the cat out of the bag: Opera was fun. By the time Verdi began to transcend the limits of the bel canto school (round about *Macbeth*, perhaps, or *Rigoletto*), the game was up. You could no longer keep the people away from opera.

Ever since then, what the Forest Bird in *Siegfried* says about herself, but which is really about Wagner, could be said of opera generally:

> *Happy in pain, I sing of love*
> *Joyful in love, I weave my song*
> *Only yearners know the meaning*

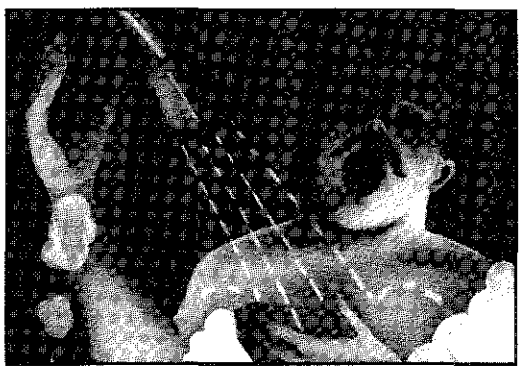
The composers of opera's creative period, from Mozart to Richard Strauss, "knew the meaning," and the Met knows that this repertory is the heart of opera. Levine too knows the meaning, and for that reason has been an effective custodian, indeed a devoted acolyte, of this tradition, and a source of renewal in performing standards.

To some critics, however, Levine seems anything but an acolyte. Peter G. Davis, for instance, writing in *New York*, July 30, 1990, cites the Levine "precedent" and asks whether a certain other conductor (Christopher Keene, the new director of the New York City Opera) will "take advantage of his position to further his own conducting ambitions rather than the general good of the company."

As an implicit critique of Levine, this is mysterious. Where the gap between Levine's "ambitions" and the "general good of the company" lies, I really could not say. Levine may well have become a conducting superstar through his achievements at the Met, but it is hard to figure how the Met has been a loser thereby. Perhaps Davis has in mind the relative paucity of superstar guest conductors at the Met. But there have been some great ones (one thinks of Klaus Tennstedt's rafter-raising *Fidelio* in 1983, and Carlos Kleiber's *Der Rosenkavalier* early this present season). At the same time, guest

superconductors are less necessary now than in the Sixties, when the Met lacked musical leadership.

Mr. Davis also terms the Met's recent stagings "bland." That word plays a curious role in the present cultural polemics. It is the word used by "arts advocates" to describe the condition the arts must inevitably fall into if minimum levels of pornographic content are not maintained. There is no reason to think Mr. Davis had this meaning in mind, but the general point holds good: A single production cannot accommodate all tastes. The elite drives out the popular; the avant-garde drives out the classical. The Met has made the right choice on both counts. Consider two recent and paradigmatic Met productions, *Turandot*, and *The Ring* itself.



Turandot

Puccini's last opera has always been something of a problem for the critics. Joseph Kerman despised it, and predicted it would soon fade from view. It has not, but Joseph Kerman darn near has. (Kerman also dismissed *Tosca* as a "shabby little shocker," perhaps the clearest case on record of the cleavage between what critics like and what opera-lovers love.)

The old production by Sir Cecil Beaton was—and for many *turandistas* is forever—linked to the epochal performances of Birgit Nilsson and Franco Corelli. Perhaps one of its most memorable features was Sir Cecil's perennial fondness for putting people in hats much bigger than their heads. Turandot's headdress was imposing, to say the least; Calaf had a tall fur hat that made him look as though he were about to apply for a position as a guard at Buckingham Palace. Liù, as a lowly, bareheaded slave girl, presented Sir Cecil with a poser, which he solved by doing her hair in an enormous topknot. (Sir Cecil also designed the original production of *My Fair Lady*, which explains why the Ascot scene featured mauve stovepipes taller than most stoves.)

Hats to one side, there was not much wrong with the Beaton production. But after several years' absence from the repertory (during which time the City Opera had done a new staging by Beni Montresor, which was spectacular, yet obviously cramped on the smaller State Theater stage), it was time for both a revival and a new production. The assignment went to Franco Zeffirelli, causing a sharp intake of breath among many fans.

They were not disappointed. The thing pulses with color and passion. One always wonders what Turandot's silent appearance in Act I will look like. For Zeffirelli, she appears on her bed, tended by handmaids. The same vision reappears at the end of the act: Once Calaf has struck the gong and turned to enter the palace gates, we see the princess again, looking over her shoulder at his advance—giving her more standing to say, in Act III, how she saw in his eyes "the light of heroes . . . the proud certainty."

Ovations break out during the Act II transition, when the lights come up on the imperial court. We behold an indoor valley of white and gold. A mylar lake shimmers at mid-stage. A heavy sense of the ceremonial hangs over the scene: The senior court officials wear masks, and everyone seems to know his place.

It is a crowded scene—open perhaps to the criticism that the principle characters get lost in the crowd. But the staging captures the genius in the scene. While set in "legendary China," *Turandot* has a spirit more out of Yeats's Byzantium. Ritual is everywhere and everything important happens in public; even Turandot's confession of love in Act III has to be ratified in a public appearance before the entire imperial court. The first words from Act II, Scene II, from the chorus, are, "Grave, enormous, and imposing." The last words of the same scene, again from the chorus, are a hymn to the Emperor, the sacral hub of their world. Everything must be "according to the rites" and "according to the arch-ancient law of the world," as Ping, Pang, and Pong sing at different points in Act II, Scene I.

If you want understatement, read a haiku. This is opera

Zeffirelli's staging, extravagant as it is, merely incarnates the grandeur that Puccini imagined. Puccini, the king of naturalistic verismo, abandoned realism utterly in his last work, opting instead to do a ritualistic once-upon-a-time tale that stands as an icon of one form that the combat of the heart can take, even if only in our imaginations—or, if you will, in "legendary China."

The Met understands all this. If you want understatement, read a haiku. This is opera.

The Ring

Nowhere in opera have directors and designers called as much unnecessary attention to themselves as in Wagner, especially in the four operas of the *Ring* cycle. *The Ring* has been the unwilling hobbyhorse of four decades' worth of "brilliant" directors, all urgently convinced that these titanic music-dramas, properly understood, are allegories of the director's current brand of apocalyptic politics. There are very real, very human characters there, but audiences have had to claw their way to them through layers of ugly dross, laid on thick by the brilliant director of the week in order to show us what *The Ring* "really" means.

The Met, in keeping with its general good sense, has been spared the worst of this species of "brilliance." Prior to the move to Lincoln Center, the Met clung to a production of streamlined realism, designed by Lee Simonson. There was nothing wrong with it, except that it dated from the Thirties, and was similar to the officially approved productions at Bayreuth 50 years ago. Taking advantage of the stage resources of the new opera house, the Met imported a production of *The Ring* from the Salzburg Festival. It was known as the Karajan production, because the jet-setting General Music Director of Europe supervised it, and conducted it when it debuted at the Met. It remained the official Met *Ring* from 1967 to 1982. The production reflected the post-War Bayreuth tendencies toward abstraction, yet compared to other abstract productions it was pleasantly devoid of political cant or arcane symbolism.

At the age of six I saw the Walküre of the Simonson production. When the Karajan staging came in, I remember being outraged by its lack of representationalism. ("But that's not what the stage directions in the libretto say!" I squawked at my father.) As time went on, though, that staging grew on me. I now realize why: My standards were slipping.

Not only my standards, but also my expectations. Deep down I knew that the best way to do *The Ring* would be with high-

ly realistic sets, rich colors, romantic acting, and nearly bonehead fidelity to Wagner's stage directions. But I did not dare hope that anyone would actually stage it that way. The times were against it. The critics would disparage it. I grew pragmatic.

I had not reckoned with James Levine.

Having paved the way in 1978 with a *Tannhäuser* that combined romantic representationalism with up-to-the-minute stage technology, Levine had the same director-designer team embark on *The Ring*. (The designer of the new production was also the designer of the so-called Karajan production, the versatile and ingenious Günter Schneider-Siemssen.)

An essential component of Levine's concept was that *The Ring*, once all four operas had been unveiled, should enter the annual repertory and stay there. In previous decades, the *Ring* operas were brought out only occasionally; the complete cycle was done in a single season only once throughout the Seventies. Levine realized that, while festivals have their place, operas this great and this beloved belong in the Met's repertory.

The main excuse for not making *The Ring* standard repertory has been the paucity of singers with real Wagnerian capacity. In the era of lowered expectations, I suspected a good production might cover for singing that, considered by itself, was perhaps not of the first order. But Levine had an even better answer: Put on the operas, and the singers will come.

The repertory decisions of the great opera houses have repercussions all down the chain of the singing profession. Why train for Wagner if the opportunities are spotty? But let the Met put on *The Ring* every year, and the younger singers will train for it.

So the Met now has a *Ring* in which a mountaintop looks like a mountaintop, and the Valkyries' Rock looks like just the kind of place where Valkyries might hang out. Thanks to James Levine, the Met's staging tells the story Wagner wanted to tell, aided by a great orchestra, a great conductor, new technology unavailable to earlier realistic productions (such as those at Bayreuth in Cosima's day), and for the most part, very fine singers. Even the supposedly impossible role of Siegfried, in the opera of that name, has found some sweet-toned yet indefatigable exponents in Toni Krämer, Wolfgang Neumann, and the inimitable Siegfried Jerusalem.

The Valkyries Rock looks like just the kind of place where Valkyries might hang out

The critics were cool, at first. Recently, they have taken a second look at Levine's *Ring* and decided to concede a few words of grudging praise. The noise of the box-office cash register has all but drowned them out.

Many take the stampede to the box office as evidence of the Met's failure, not its success. A certain strand of critical opinion wants the Met to be substantially, if not entirely, given over to the experimental and the avant-garde. I hope and predict it will not be so given over, and that Levine remains steadfast.

What opera-lovers love is a canon that more or less opened with Mozart and more or less closed with Richard Strauss. Judicious expansions of the canon, like judicious expansions of the major leagues, are fine, but the Met commendably avoids becoming a sandlot for single-A trendies.

The last four decades are dotted with significant exceptions to the Mozart to

Strauss rule—recent operas written in a more or less popular, and hence unfashionable, musical idiom: Gian Carlo Menotti's *Amahl and the Night Visitors*, Robert Ward's *The Crucible*, Douglas Moore's *The Ballad of Baby Doe*, the revised version of Samuel Barber's *Antony and Cleopatra*, and perhaps some works by Thomas Pasatieri (who also did the marvelous orchestrations in the recent Disney movie *The Little Mermaid*).

Such true expansions of the canon are possible precisely because the operatic canon is a tradition which remains very much a living one to contemporary audiences. James Levine's greatness is that he has chosen to be the custodian of a great tradition. After all, if all conductors seek to be known for creative new interpretations of Wagner, then there is nowhere one can go to see Wagner's own vision.

Certainly, New York needs an opera house with a more experimental orientation, and we are fortunate to have the New York City Opera to fill that role (as well as to give the Met a little competition in the classics).

Still, at the end of the day, we people who have some opera or other playing in our heads whenever we are not asleep, and sometimes then too, we know what we mean by opera, and with all due respect it is not *Satyagraha*. It is, you know, what they do at the Met.

—David Wagner

In Appreciation
Statues and Heroes

Like most cities that had a nineteenth century, New York is littered with public statues. If you never give them a second look, they run together in the eye, an undifferentiated blur of bronze frock coats and gray pigeons. Once you fall into the habit of examining them, however, you soon distinguish among the decent majority, the few monstrosities, and the handful of masterpieces. One of the most masterly is Augustus Saint-Gaudens's Sherman Monument at Fifth Avenue and Central Park South.

Saint-Gaudens (1848-1907) is probably best known today for designing the last of the 20 dollar gold pieces (Teddy Roosevelt bullied him into taking on the job). Sculpture for public places, not museums, was his forte, and the Sherman Monument, erected in 1903, was one of his crowning efforts.

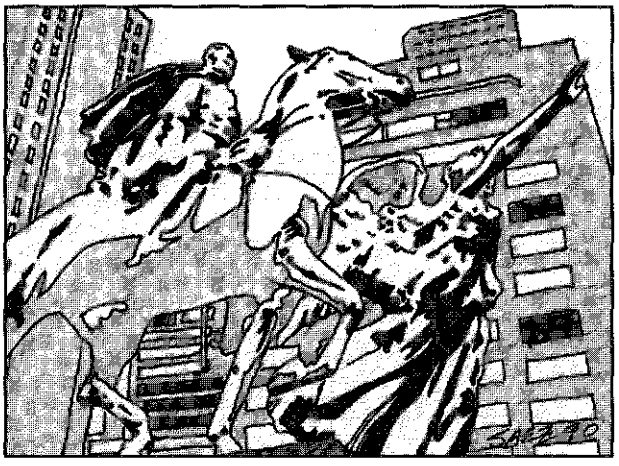
The statue was a long time in the making. In 1888, Saint-Gaudens spent 18 two-hour sittings with the old general to model a bust. That attention to detail shows in the monument. William Tecumseh Sherman was an ugly man—not beautiful-ugly like Lincoln, or sad-ugly like Grant, but just plain ugly—and Saint-Gaudens presented every line and bristle, triumphing over unsightliness by exactitude.

The statue is also a triumph over contradiction, for it combines two wholly dissimilar worlds. Sherman and his horse, Ontario, are real, but the figure of Victory which leads them on (through Georgia, as a pine branch under the horse's hoofs suggests) is pure allegory. Saint-Gaudens united them by movement: Victory's wings and robe, Ontario's mane, and Sherman's cape all sweep in the same wind. He also united them with gilding.

Saint-Gaudens complained about statues that "look like stovepipes," and the Sherman monument was originally voluptuously coated with two layers of gold leaf. Over the years, the gold leaf flaked off and the city acquired another black stovepipe. When the Parks Department first suggested regilding the statue, many people were disturbed. Would not the sudden intrusion of gold, against the green and gray which is the New Yorker's idea of a natural color scheme, look a bit . . . garish? The gilt has

been on for almost a year now, and it is clear that the Parks Department (and Saint-Gaudens) was right. The layer of shining gold serves a moral, as well as an aesthetic, purpose. Saint-Gaudens thought William Tecumseh Sherman, and the other Union generals, were heroes, entitled to memorials "worthy of their great service." If you think someone is great enough to deserve an allegorical figure as an attendant, you should not stint when it comes to gold leaf.

The only objection I have to the General's new paint job is that, on a sunny day, he gets lost in his own blaze. Another Saint-Gaudens Civil War sculpture, his statue of Admiral Farragut in Madison Square Park, can be safely contemplated in all weathers.



Admiral Far-ragut shares the park with the usual urban clutter—trees, playgrounds, statues of Chester Alan Arthur and Roscoe Conkling—and you might easily miss him on a quick walk-through. Don't.

David Glasgow Farragut is probably less of a household word today than Sherman. Happily, the broad granite pedestal of Saint-Gaudens provides a long inscription in proto-Art Nouveau letters, which gives the highlights. Farragut was born near Knoxville, Tennessee, and spent most of his Navy career in Southern ports. The outbreak of the Civil War found him at the Norfolk Navy Yard, and he was expected to throw in his lot with the Confederacy. Instead, he went to Washington and offered his services to the Union. His most important victory was in the Battle of New Orleans, but his most famous was the Battle of Mobile Bay. For that engagement, he had himself lashed to the mast of his flagship from whence, when the South's torpedoes sank one of his ships, he gave his famous order to damn them, full speed ahead.

Saint-Gaudens freezes that fierce determination in bronze. Farragut stands with his right foot slightly forward, as if impatient of his ship's progress. His long heavy officer's coat is parted by a breeze. You can see the vein on the back of his left hand as he grips a pair of binoculars. The pedestal has ledges on which you could sit, if you dared.

Saint-Gaudens's Civil War statues obviously celebrate valor. They celebrate, more subtly, the artist's admiration of valor, which is something we have lost. (Imagine a Calder mobile in honor of Douglas MacArthur.) What seems oddest about both these statues in today's New York, though, is that they celebrate the Civil War.

We have not exactly forgotten the Civil War, of course. It is not only the most important event in American history, but one of the few an amnesiac nation still cares about. And yet most of the custodians of our memory are inadequate to the task. Least harmful are the Civil War buffs, those amateur military historians who dress up in blue and gray on weekends to reenact Chancellorsville. They may scant the issues, but at least they know the facts. The multiculturalists push an even more myopic view—the Civil War as a violent, bungled

forerunner of the civil rights movement. Professional Southerners foster the equal and opposite errors, dwelling on the losers' virtues (bravery, chivalry), but ignoring their faults (buying and selling people). Saint-Gaudens's Sherman and Farragut give us something that has become almost vanishingly rare—the Civil War as it was understood by those who won it.

That understanding was infused by republican, and Republican, virtue. The link is more than a pun. The great causes of the Democratic Party have historically been those of parts of the whole: states' rights in the nineteenth century, the common man, racial minorities, or (in cities) the immigrant in the twentieth. On those occasions when the Republican Party has risen to greatness—when it has been run by other than Roscoe Conklings—it has been in defense of the national interest.

If someone is great enough to deserve an allegorical figure as an attendant, you should not stint on the gold leaf

The whole that the Republicans defended in the Civil War was in practical terms little more than half the country. Yet the idea of the whole to which they rallied had political and constitutional legitimacy on its side. It had, moreover, the continuity of ideals on its side. I do not know what, in their private hearts, General Sherman or Stonewall Jackson thought of the Declaration of Independence. But I do know, without question, which one of them upheld it.

Artists can afford to remain suspended before tragic ironies. But peoples, and leaders, must live through them. If they live through them as gallantly as General Sherman and Admiral Farragut, then artists as great as Saint-Gaudens should do them honor.

—Richard Brookhiser

Letter from Sunset Park

In 1968, a few years after Congress changed the nation's immigration policy, a wave of foreign immigration began to roll over New York. On its southward sweep through Brooklyn, the wave rolled over Sunset Park. But as in most of the city, the wave brought not devastation but refreshment and renewal; a reenactment of the city's most persistent historical drama, and a reaffirmation of its most hallowed myths. A neighborhood built by immigrants but which had seemed a perfect picture of urban blight a decade ago has been revived by new New Yorkers, though this time not from Europe but Latin America and Asia.

Sunset Park, a modest neighborhood of mostly two- and three-family homes in South Brooklyn, lies nestled between gentrified Park Slope to the north and the affluent Italian neighborhood of Bay Ridge to the south. The low houses are punctuated only here and there by a church steeple, or a four-story apartment building. Sunset Park is Brooklyn's big-sky country.

The area takes its name from Sunset Park, or "Goat Hill" as it was known to the early Scandinavian settlers who grazed their livestock on its steep slopes, rising in the heart of the community. From its heights, one can see a magnificent 180-degree panorama: past the graceful limestones surrounding the park, over the row after row of narrow frame houses painted watermelon red or lime green, or covered with identical gray faux-stone siding, down to the gritty remnants of the industrial zone, to the waterfront and the harbor, to where lower

Manhattan rises, like Emerald City, from an absurd distance.

As a formally designated community, Sunset Park was not born until 1966, when the idea of the neighborhood became a leitmotif in national policy, and a prerequisite for a myriad of federal, state, and municipal grants and loans. But though official status was new, the neighborhood has a long history.

From the time of its first settlements, Sunset Park has always depended on a stream of newly landed immigrants. First came the Irish of the hungry years; then the Swedes and Norwegians, whose merchant seamen had become familiar with Brooklyn's waterfront. Next came the Finns, followed by a wave of Italians and Poles. By 1910, 1,000 Finns had colonized "Finn Town," whose hub was Eighth Avenue and 43rd Street. In 1916, a second wave of Finns, of socialist-labor inclinations, erected New York's first working-class housing cooperative, soon followed by a score of others, with picturesque names like The Old Maid's Home and Drop of Sweat. The Finns abhorred debt; the co-ops were financed entirely out of savings. Finn Town remains one of Sunset Park's better sections. Even today, no co-op buyer (Finn or not) is permitted to borrow against stock shares.

Sunset Park retains other signs of its Scandinavian heritage. Most of the veritable forest of churches planted by the early Scandinavians are now Hispanic and Asian, but *New Yorkin Uutiset*, the Finnish-language newspaper, still publishes on Eighth Avenue and 44th Street. Olsen's on Eighth Avenue is still the spot for Scandinavian bread and cakes, and local Finns can still buy herring and lingonberries at specially stocked superettes. There are still Italians in Sunset Park, especially clustered around St. Rocco's on 27th and Fifth, a dwindling Polish Town, and a sprinkling of stubborn Irish parishioners in the vicinity of Our Lady of Perpetual Help, Brooklyn's largest Roman Catholic church.

Between 1950 and 1980, Brooklyn's population declined by a half-million, from 2.7 million to 2.2 million. Sunset Park's population fell from a prewar level of nearly 104,000 to 87,000 in 1960, and despite a huge influx of Puerto Ricans, to even less in 1970. Between 1970 and 1980, the neighborhood lost another 9 percent of its people.

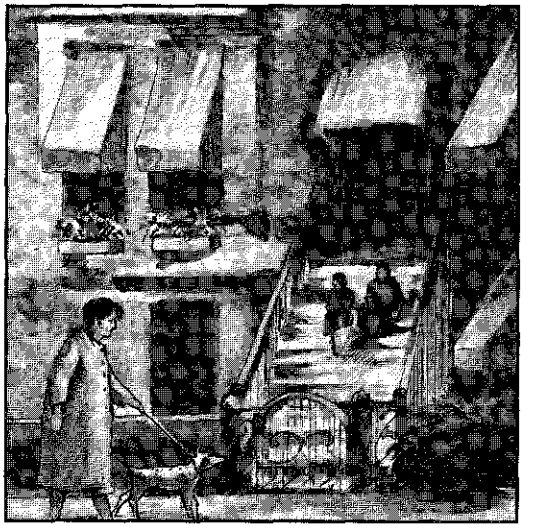
Poverty and public-assistance rates climbed, with nearly 30 percent of the residents below the poverty level by 1980. The neighborhood had grown smaller, poorer, and considerably more Hispanic. Retail trade, already weakened by competition from shopping malls, declined further. Vacancies appeared in all the commercial avenues, even on Fifth. The housing stock deteriorated and Sunset Park settled into what promised to be a long twilight.

The government, including City Hall, played a large role in the neighborhood's decline. The first blow was the Gowanus Expressway, a 10-lane user-unfriendly highway which, built in several stages between 1940 and 1960, slashed across the neighborhood. Its dark, rumbling presence still divides Sunset Park in half, separating the revived residential market above Fourth Avenue from both the faded industrial zone and the waterfront area.

The next blow was the 1961 Zoning Resolution, in which the city reserved the blocks west of the Gowanus Expressway almost exclusively for manufacturing. Call it a lesson in the perils of industrial policy: The city, dismayed by chronic hemorrhages in manufacturing and longshoreman jobs, was resolutely determined to bolster manufacturing in Brooklyn. Instead, the demand for manufacturing space dwindled. The 1961 Zoning Resolution cast some 2,000 Sunset Park residences, containing an estimated 10,000 people, into nonconforming status. Overnight, mortgage lenders cut off

loans to property owners within the rezoned area; title and casualty insurance became hard to get. A huge chunk of Sunset Park's housing market collapsed.

Ironically, another government act, this time a federal program designed to make home mortgages available to the poor, only made matters worse. The program, known as Section 235, did the opposite of "redlining": It provided more mortgage money to the poor than the poor could beneficially absorb. Typically, speculators purchased a house from a distressed owner for $5,000 or less. After cosmetic touch-ups, the property was sold for $20,000, financed by an FHA-approved mortgage. The buyers of these overpriced houses were usually new Puerto Rican immigrants, unwary families who lacked the means to meet monthly expenses. Many of these properties went into default; nearly 100 were boarded up, becoming the prey of vandals, drug dealers, and weather. Much time and political capital would be expended before FHA could be coaxed back into Sunset Park's stricken areas.



Right up to 1980, Sunset Park appeared a dying neighborhood, another sad victim of urban blight. More than 200 small properties and 40 apartment buildings were abandoned. The blocks below (and often above) Fourth Avenue were defaced by the stigmata of dereliction—boarded-up houses, shuttered industrial plants, the carcasses of junked cars.

Yet underneath the surface scars, Sunset Park's revival had already begun. The effects of the new immigration were slow and silent, but steady. In the 1970s, new people began to move into Sunset Park, rebuilding the decaying residential blocks and injecting new life into once-dead commercial strips. By the early 1980s, the population decline had been reversed. By the mid-Eighties, the stream had become a flood, and Sunset Park was nestled securely in the curl of a rebounding wave. You can see the influence of the immigrants in any number of statistical indicators: rising real income, retail activity, soaring real estate prices, and rents. Between 1977 and 1987, prices of typical two- and three-family brick houses increased five-fold.

You can see it too, walking up Fifth Avenue, where a vivacious medley of businesses compete for the new consumers' attention. In Sunset Park a dozen ethnic communities commingle without losing their distinctive flavors. Yong's Gifts is down the street from Stavenhagen's check-cashing ("Serving Brooklyn since 1878"). Morisi's Macaroni Store offers red-white-and-blue gift-wrapped pasta, while Sikorski and Winski's specializes in fresh hot babka and heavy links of kielbasa. Behind the chartreuse sign advertising Baba West Indian, Indo-Pak Shopping Center, you can get your VCR repaired, and rent tapes with names like "Prem Geet" or "Dharma," featuring full-lipped princesses and bare-chested men heaving attack pickaxes. You can choose between cans of corned mutton from Australia, or pick up a pound of Bashri flour ("ingredient: Bashri," the label dutiful-

ly but mysteriously informs). Tiger balm is available, and bottles of Dewitt's Worm Syrup, for whatever ails you. Along the walls, glossy decoupage plaques of blue goddesses emit a faint, but unmistakable resemblance to paint-on-velvet Jesuses. Outside, a huge banner festooned across Fifth Avenue proclaims an upcoming Grecian festival.

There are still some signs of hard times in Sunset Park: occasional peeling paint, a few boarded-up upper windows, the complete absence of any sign of Häagen-Dazs. But today (according to a recent poll) some 70 percent of Sunset Park's residents consider it a fair to excellent community. From an ugly duckling, Sunset Park has become, if not a swan, at least a fat, healthy goose.

One of the most interesting things about Sunset Park's revival is that it can not, in any meaningful sense, be called "gentrification." Many of Brooklyn's better-known neighborhoods have grown by taking in the overflow from Manhattan's trendy neighborhoods. Some young professionals, pushed out of pricier neighborhoods, have settled in the neighborhood, but their numbers are small, and their impact negligible. Sunset Park, perhaps because of its modest housing stock, has not become part of "Brownstone Brooklyn." In 1980, for example, only 10 percent of Sunset Park's jobholders were managers or professionals, compared to 36 percent in Brooklyn Heights, the quintessential brownstone neighborhood, or 32 percent in nearby Park Slope. Only 13 percent of Sunset Park's residents age 25 or older have some college education, compared to almost 34 percent of Park Slope's residents. And in Sunset Park, unlike the gentrified neighborhoods, the steady exodus of European-Americans continues.

The people who rebuilt Sunset Park are not the Yuppies, but the New Immigrants. Since 1980, the bulk of Sunset Park's new residents have been Hispanic and Asian. In fact, during the Eighties revival, the proportion of Hispanics in Sunset Park increased; however, Sunset Park's Hispanicism has become more diverse. Puerto Ricans who settled there in the Sixties and Seventies are being replaced, to some extent, by other Hispanic immigrants. About half of these new Hispanics are Dominicans. There is also a medley of other Hispanics: Colombians and Ecuadorans, Salvadorans and Hondurans, Cubans and Mexicans.

Asian immigration has also increased. Of Sunset Park's new Asians, nearly two-thirds are Chinese, mostly from the mainland and Hong Kong. There are only a handful of Taiwanese, who tend to favor Flushing. Other Asians include East Indians, Filipinos, Vietnamese, and Cambodians.

The Asian presence will continue to grow. The quick subway connection to Canal Street is one reason. For Chinese garment workers with limited English, Sunset Park's subway stop is reassuringly known as the "blue-sky station," the first stop above ground this side of Chinatown. Sunset Park now boasts two private schools for Asian kids. And here, Asians have become homeowners quickly. Asians in New York City as a whole have a home-ownership rate only slightly below that of whites. In 1986-87, nearly a third of Sunset Park home buyers were Asians.

To Sunset Park, these new immigrants have brought not just their numbers and aspirations, but their skills as well. The average schooling levels of all foreign-born Asian groups (except rural Vietnamese) exceed the average for non-Hispanic whites. Third World physicians dominate Sunset Park's Lutheran Medical Center, as they do many New York hospitals. The most recent Hispanic arrivals from Latin America have extraordinarily high employment rates: 93 percent for men and 89 percent for women.

In Sunset Park's business community, the impact of the New Immigrants is obvious. Of the nearly 800 establishments whose owners' ethnicity could be identified in Roger Waldinger's study of Sunset Park's retailers, more than 60 percent were Hispanics, Middle Easterners, and Asians. Immigrants with their pronounced tendency toward entrepreneurship are bringing the once-moribund Eighth Avenue to life: Three-fourths of the 240 stores from 39th to 65th Streets are owned by immigrants, 60 by Chinese.

Sunset Park's waterfront is still dead, hostage to the city's refusal to rezone the area for residential development. At Sunset Park's last hiring hall on 60th Street, a thousand longshoremen "badge in" each day, but there are no jobs. The gesture is pure theater, acting out a script hammered out years ago in an extraordinary agreement between the dock unions and maritime employers, in which the union accepted labor-saving container ships in exchange for a guaranteed lifetime income for their workers. In contrast to the waterfront, Sunset Park's manufacturing sector shows new signs of life. During a decade in which New York City lost 120,000 manufacturing jobs, Sunset Park's industrial zone actually gained 12,000 jobs.

Fortunately, the wave of immigration that resuscitated Sunset Park shows no signs of subsiding. In 1986, nearly two million prequalified foreigners were waiting their turn for entry into the U.S.; in 1980, the number was only about one million. Prospective legislation to expand admissions would swell the ranks not only of the Irish, but also Indians, Pakistanis, and a host of other groups. Under Gorbachev, visas from the Soviet Union have risen to more than 10,000 a month, another plus for New York. Soon immigration may easily reach as high as 110,000 per year. By the year 2000, if current demographic trends continue, more than 40 percent of New Yorkers will be foreign-born, surpassing the historic peak of 1910. In that case, Sunset Park's population should grow by another 20 percent or more. With the prospect of at least 15,000 new Chinese, Sunset Park will clinch its title as New York's third Chinatown.

Whatever happens, Sunset Park in the year 2000 will not be Yuppieville. At its newsstands, foreign-language papers are likely to sell as briskly as the *New York Times*, or the *Wall Street Journal*. Nor will it be, despite the concentrations of Hispanics and Asians, an ethnic ghetto. There is too much pluralism for that. It will simply be another of New York's typical "backbone" neighborhoods, neither excessively rich nor poor, inviting but not trendy.

Sunset Park will be, though in different guises, what historically it had been, a neighborhood sustained by those who journeyed to America for a second chance, who in seeking to advance themselves also advance neighborhood, city, and nation. In the Sixties and Seventies, Sunset Park came very close to losing that historic character. It was rescued, not so much by housing subsidies and community action as by the 1965 act of Congress that reopened the nation's gates to aspiring Americans. Without the new immigrants, as Thomas Muller has pointed out, New York City's population would have shrunk to less than six million. Sunset Park would resemble a deserted village. Instead, a robust economy and the new immigration produced a remarkable revitalization, injecting new life into this and a hundred other old neighborhoods.

New immigrants brought a clash of cultures and new burdens for the schools. But, by and large, they also brought their labor and productivity and a faith that their tomorrows will be brighter than their todays, as much as their todays are from their yesterdays. Immigration may turn out to be the most effective urban renewal program New York City has yet discovered.

—Lou Winnick

DIARIST

Getting a Fix in New York

Imagine the car of your youth, the car of your dreams, the first car you ever loved: an enormous gas-guzzling monument to the Cold War capable of driving over or through any obstacle that New York can put in its way. That's my car: a big, sleek, green '66 Chrysler.

Tonight I am driving down Flatbush Avenue. My engine is humming. I am one with my car. Then, steam starts to trickle from under the mammoth green hood.

I swing over to Fourth Avenue, where the gas stations live. At the closest station, I get out, open the hood, and unscrew the radiator cap. A volcano of antifreeze erupts. A burly man suddenly materializes next to me. He offers, for an unspecified number of dollars, to walk 25 feet to a tap and return with water for the radiator. I tell him, no thanks: I am perfectly capable of walking 25 feet to get my own water. When we finally agree that his services will not be required, my new friend offers to get Mike the mechanic. "Mike has tools," he states.

I walk over to the cashier's cage where a Korean gentleman refuses to open the door but is at length able to squeeze a plastic jug through the payment drawer. When I get back to my car with the water, Mike is already there.

Mike is a big guy, about 40, with bad posture, who says he has been a mechanic for nine years. He has a Phillips screwdriver and a pair of pliers. While Mike examines the engine, I stand around wondering: What is the penalty for impersonating a mechanic?

Mike tells me the thermostat is stuck. For some reason, this strikes me as plausible. In a fit of abstraction, I agree to pay him $10 to fix the car on the condition that he actually fix something. We remove a large hose from the radiator and he stabs crudely at the thermostat with the screwdriver. This procedure in no way alters the functioning of the thermostat, which is just as well as it is clearly working.

When I inform Mike his services will no longer be needed, he responds with lengthy expressions of anguish and threats of physical violence. I start the Chrysler. A few blocks away I pull into another gas station. I open the hood, under which the hose is clearly deteriorating. Immediately, I am joined by a young man who tells me he would be happy to strip a parked car to get me a hose—an abandoned car, he hastily assures me. Several of his associates await my decision. I am too much of a gentleman to resuscitate my car with one of my neighbor's hoses. (This is not saying much, I know.) Somewhere back there in the station, the real mechanic may be hiding out. But I cannot get to him.

"No thanks," I say and drive off to the next gas station, a Gulf, where to my amazement, I am confronted by another faux mechanic with a nearly identical sales pitch. The spirit of enterprise is evidently catching. I nearly have to close the hood on this gentleman's hands to keep him from disconnecting my still-functioning hose.

Eventually, after bypassing several more pseudo mechanics, I locate a real gas station employee who has real auto parts, which come from a real auto parts wholesaler, and which will really fix my car.

Things are not always what they seem in New York. After a certain hour, the women one sees are probably men and the auto mechanics are actually car thieves. Where I live, people are cocktail waitresses and cabdrivers, inside traders, and gay artistes. Meanwhile, just around the corner, people make a living impersonating gas station attendants.

—Charles Bork

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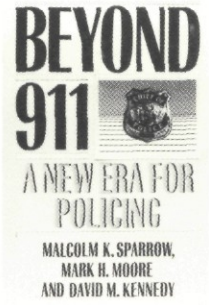

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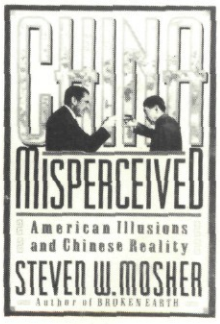

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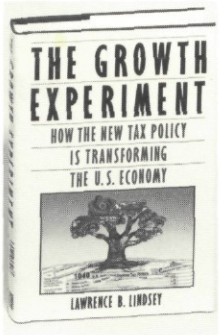

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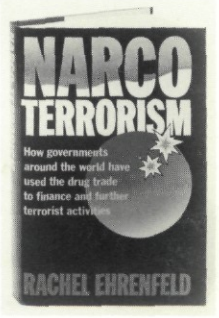
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